

SOBHAYGYA MERCANTILE LIMITED

CIN: L45100MH1983PLC031671

Registered Office - B-61, Floor 6, Plot No. 210, B-Wing, Mittal Tower, Free Press Journal Marg,
Nariman Point, Mumbai - 400021, Maharashtra, India

Contact Details :- Phone - 022-22882125 email - sobhagyamercantile9@gmail.com
website: www.sobhagyamercantile.com

To,
Department of Corporate Service (DCS-CRD),
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Date: 5th December, 2020

Dear Sir / Madam,

Subject:- Submission of Annual Report as Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scrip Code: 512014 (SOBHAGYA MERCHANTILE LTD.)

With reference to the subject cited above, we enclosed herewith the 36th Annual Report of the Company of Annual General Meeting to be held on Wednesday, 30th Day of December, 2020 at 04.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

This is for the information and records of the Exchange, please take it on record.

Copy of Annual Report being made available on www.sobhagyamercantile.com

Thanking you.

For SOBHAYGYA MERCANTILE LIMITED


Shrikant Bhangdiya
Director
(DIN-02628216)



**SOBHAYGYA MERCANTILE
LIMITED**

36TH ANNUAL REPORT

2019-2020

CONTENTS

Sr. No.	Particulars
1.	Corporate Information
2.	Notice of Annual General Meeting
3.	Directors' Report
4.	Annexure I to Directors' Report- MGT- 9
5.	Annexure II to Directors' Report- MR-3- Secretarial Auditors' Report
6.	Annexure III to Directors' Report- AOC-2
7.	Management Discussion and Analysis Report
8.	Independent Auditor's Report
9.	Annexure to Auditor's Report
10.	Balance Sheet
11.	Statement of Profit and Loss
12.	Cash Flow Statement
13.	Significant Accounting Policies on Accounts
14.	Notes Forming part of the Financial Statements

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Shrikant Bhangdiya	-	Director (DIN: 02628216)
Mrs. Sonal Bhangdiya	-	Director (DIN: 03416775)
Mr. Prashantkumar Lahoti	-	Independent Director (DIN: 00091140)
Mr. Anil Khawale	-	Chief Financial Officer ("CFO") (PAN: AESPK9850L)
Ms. Shalinee Singh	-	Company Secretary (PAN: CFOPS2367P)

REGISTERED OFFICE:

B-61, Floor 6, Plot No 210, B Wing, Mittal Tower, Free
Press Journal Marg, Nariman Point, Mumbai City
MH 400021

CIN: L45100MH1983PLC031671

STATUTORY AUDITORS:

M/s. Joshi & Shah,
Chartered Accountants (Firm Registration No. 144627W)
257, Gurunanak Motor Market,
Khotachi Wadi, V P Road, Prathana Samaj,
Charni Road, Mumbai - 400004

INTERNAL AUDITOR:

M/s. Ashish Mittal & Associates
Chartered Accountants (Firm Registration No. 019185C)
2nd Floor, Samarth Building above HDB Financial Services,
CA Road, Gandhibagh, Nagpur -400001

SECRETARIAL AUDITOR:

Parag Dasarwar
Company Secretaries
106, Hakim Arcade, Dharampeth, Nagpur-440010

BANKERS:

Union Bank of India
RBL Bank

AUDIT COMMITTEE:

Mr. Prashantkumar Lahoti	-	Chairman
Mrs. Sonal Bhangdiya	-	Member
Mr. Shrikant Bhangdiya	-	Member

NOMINATION & REMUNERATION COMMITTEE:

Mr. Prashantkumar Lahoti - Chairman
Mrs. Sonal Bhangdiya - Member
Mr. Shrikant Bhangdiya - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. Prashantkumar Lahoti - Chairman
Mrs. Sonal Bhangdiya - Member
Mr. Shrikant Bhangdiya - Member

RISK MANAGEMENT COMMITTEE:

Mr. Prashantkumar Lahoti - Chairman
Mrs. Sonal Bhangdiya - Member
Mr. Shrikant Bhangdiya - Member

REGISTRAR & SHARE TRANSFER AGENTS:

M/s. Purva Sharegistry (I) Private Limited
9 Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai, 400011
Phone Number: 23018261 / 23012518,
Website: www.purvashare.com
Email- purvashr@mtnl.net.in

LISTED AT:

Bombay Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL:

INE754D01018

WEBSITE:

www.sobhagyamercantile.com

INVESTOR E-MAIL ID:

sobhagyamercantile9@gmail.com

NOTICE

Notice is hereby given that the 36th Annual General Meeting of members of M/s. Sobhaygya Mercantile Limited will be held on **Wednesday, the 30th day of December, 2020 at 04.00 P.M.** Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt The Audited Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint M/s. Joshi & Shah, as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following **Ordinary Resolution** thereof.-

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to recommendation of the Audit Committee M/s. Joshi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 144627W), be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2025, at such remuneration and other terms, approved by the Board of Directors of the Company on the recommendation of the Audit Committee."

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto"

SPECIAL BUSINESS:

3. Appointment of Mr. Shrikant Bhangdiya (Din: 02628216) as a Managing Director (Whole Time Key Managerial Personnel):

The Board of directors of the Company has referred the name of Mr. Shrikant Bhangdiya (DIN: 02628216) which was proposed by one of the members Mrs. Sonal Bhangdiya of the Company for the appointment as an executive Managing Director of the company w.e.f 05/12/2020 as per the requirement u/s 196, 197 and schedule V of the Companies Act, 2013. Mr. Shrikant Bhangdiya, is a MBA hails from a family engaged in the business of Infrastructure and born on 14th April, 1984. He has pursued Master in Business Administration and worked in the various Infrastructure companies for the past 10 years. He had been the director of the company from 9th August, 2019 to till date. He

had been the member of the Audit Committee from 9th August, 2019 to till date. Considering the requirement of the company and the past experiences the committee members has passed the following resolution unanimously:

“RESOLVED THAT pursuant to the provisions of sec 196, 197, 203, Schedule V and any other applicable provisions of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof), the Nomination & Remuneration Committee recommends the appointment of Mr. Shrikant Bhangdiya (DIN: 02628216) as the Managing Director (Whole Time key Managerial Personnel) of the company for a term of five years commencing from 05/12/2020 till 04/12/2025 subject to the appointment made by the Board of directors at the Board meeting and thereafter approval of the shareholders in the ensuing Annual General Meeting as per the terms and conditions mutually agreed upon between the Company and Mr. Shrikant Bhangdiya.”

“RESOLVED FURTHER THAT the following terms and conditions to be approved considering the limit specified under sec 197 and Schedule V of the Companies Act, 2013:

- a) Salary: As decided by Nomination and Remuneration Committee;
- b) Dearness Allowance: As decided by Nomination and Remuneration Committee;
- c) Bonus: As decided by Nomination and Remuneration Committee;
- d) Gratuity: As decided by Nomination and Remuneration Committee;
- e) Provident Fund: Company’s contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;
- f) Benefits, Perquisites and Allowances:
 - i) Provision of a Car with driver for official purposes and such driver’s remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company’s driver.
 - ii) Free use of Company’s mobile phone and telephone at his residence
 - iii) Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month’s salary in a year or three month’s salary over a period of 3 years;
 - iv) Actual leave travel expenses, as per the rules of the company, excluding hotel and food charges once in a year to any place in India to himself and his family.

“RESOLVED FURTHER THAT in the event of no profit or the profit of the company is inadequate, during the currency of tenure of managerial personnel, the company may pay remuneration to the managerial remuneration not exceeding the limit under section II of the Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed above including any statutory modifications or re-enactment thereof from time to time as prescribed by the Government.”

“RESOLVED FURTHER THAT the consent in writing from Mr. Shrikant Mitesh Bhangdiya in form DIR-2 pursuant to the Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules 2014 and intimation in Form DIR-8 pursuant to the Rule 14 of the Companies (Appointment & Qualifications of Directors) Rules 2014 that he is not disqualified under section 164 sub-section (2) of the Companies Act, 2013 have been received by the company and considered by the committee.”

“RESOLVED FURTHER THAT the Chairman of the committee meeting be & is hereby authorized to place the draft minutes of the committee meeting and the documents received by Mr. Shrikant Mitesh Bhangdiya before the Board of Directors meeting to fulfill the further requirement for the appointment of Mr. Shrikant Mitesh Bhangdiya as a Managing director.

**By Order of the Board of Directors
For Sobhaygya Mercantile Limited**

Sd/-
Shrikant Bhangdiya
Director
(DIN: 02628216)
Email Id:smb@themksgroup.com
Contact No.:+91 7122460120

Place: Mumbai
Date: 05/12/2020

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated June 15, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. National Securities Depository Limited (NSDL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at- Instructions for members NSDL e-Voting System – For Remote e-voting and e-voting during AGM below and is also available on the website of the Company at www.sobhagyamercantile.com.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.

5. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice

6. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, December 26, 2020 to Wednesday, December 30, 2020 (both days inclusive),

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar in case the shares are held by them in physical form.

8. Corporate Members (i.e other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its

representative for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to pdcsngp@gmail.com with a copy marked to sobhagyamercantile9@gmail.com

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in DEMAT mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their DEMAT account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Share Transfer Agent.

11. Members are requested to immediately notify any change in their address and e-mail IDs to the Registrar & Share Transfer Agent of the Company at the following address:

M/s . Purva Shareregistry (I) Private Limited

Address: 9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai, 400011

Phone Number: 23018261 / 23012518,

Email- purvashr@mtnl.net.in

12. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in DEMAT form are, therefore, requested to submit Aadhar card details to the Depository Participants with whom they have DEMAT accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. Purva Shareregistry (I) Private Limited).

13. As a measure of austerity, copies of the annual report will be distributed by mail with the notice of AGM. Members are therefore, requested to save their copies of the Annual Report in their system for their records.

In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/ HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies, Notice of AGM is being sent in electronic mode to Members whose e-mail address is registered with the company or the Depository Participant(s). Members holding shares in physical mode and who have not updated their email addresses with the company are requested to update their email addresses by writing to the company at sobhagyamercantile9@gmail.com or NSDL Email evoting@nsdl.co.in along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are

requested to register or update their email addresses with the relevant Depository Participants. The Notice of AGM is available on the website of the company at www.sobhagyamercantile.com and on the websites of Stock Exchanges i.e. BSE Limited.

14. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Purva Shareregistry (I) Private Limited, Share Transfer Agents of the Company for their doing the needful.

15. Members are requested to send their queries at least 7 days before the date of meeting so that information can be made available at the meeting.

16. The members may kindly note that no gifts or gift coupons or cash in lieu of gifts will be distributed at or in connection with the AGM.

17. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, DEMAT / REMAT, change of address, issue of duplicate shares certificates, ECS and nomination facility.

18. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

For any communication, the shareholders may also send requests to the Company's investor email id: sobhagyamercantile9@gmail.com

19. Voting through Electronic Means (E-Voting Facility)

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 150 members. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial

Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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 the Circulars issued by the Ministry of Corporate Affairs 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at 05th December, 2020. The Notice can also be accessed from the websites of Stock Exchanges i.e. BSE Limited at www.bseindia.com. Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on December 27, 2020 at 10:00 A.M. and ends on December 29, 2020 at 05 :00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the

.pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote,

- to the Scrutinizer by e-mail to pdcsngp@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to sobhagyamercantile9@gmail.com
In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sobhagyamercantile9@gmail.com.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-

Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
6. In case of any assistance before or during the AGM, members can contact on jagdish@themksgroup.com or call on numbers +91 99703536491/+91 7507126786.

20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available electronically for inspection at the AGM.

21. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company whose are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.

22. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company I Registrar & Transfer Agent (RTA) for registration under their folio. Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank details.

23. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (DEMAT) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. A note on procedure to be followed for dematerialization of physical shareholding and benefits out of it is uploaded on the company's website www.sobhagyamercantile.com.

24. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and

allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agent.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF,
SOBHAYGYA MERCANTILE LIMITED**

**Sd/-
SHRIKANT MITESH BHANGDIYA
DIRECTOR
(DIN : [02628216](#))
Email Id:smb@themksgroup.com
Contact No.:+91 7122460120**

**Place: Mumbai
Date: 05/12/2020**

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

The following is the Explanatory Statement as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the members of the Company:

Item 3:

Mr. Shrikant Bhangdiya (DIN: 02628216) is a promoter-director of the Company and appointed as the Managing Director at the Board Meeting held on 05/12/2020, which was later approved by the Members of the Company at the 36th Annual General Meeting held on 30/12/2020. Mr. Shrikant Bhangdiya, pursued Master in Business Administration and has to his credit more than 10 years of experience in finance and infrastructure business. The Company is currently going through a tough period due to pandemic situation and at this crucial juncture, the continued services of Mr. Shrikant Bhangdiya are considered essential for successful turnaround by the Company. It is also essential for the Company to have his continued services for its future growth.

The Board of Directors, at their Meeting held on 05/12/2020, have appointed Mr. Shrikant Bhangdiya as Managing Director of the Company for a period of five years from 05/12/2020 to 04/12/2025. In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mr. Shrikant Bhangdiya as Managing Director of the Company. The Board recommend the resolution as set out in item no.3 approval of the members as an ordinary resolution. Mrs. Sonal Bhangdiya is interested in the above resolution as sister in law of Mr. Shrikant Bhangdiya. The copy of the Board Resolution and the appointment letter issued to Mr. Shrikant Bhangdiya as Managing Director; and the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company between 10.00 A.M. to 6.00 P.M. on all working days.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF,
SOBHAYGYA MERCANTILE LIMITED**

**Sd/-
SHRIKANT MITESH BHANGDIYA
DIRECTOR
(DIN : 02628216)
Email Id:smb@themksgroup.com
Contact No.:+91 7122460120**

DIRECTORS' REPORT

To,

The Members,

SOBHAYGYA MERCANTILE LIMITED.

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Sobhaygya') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2020.

1. Financial summary/highlights:

The performance during the period ended 31st March, 2020 has been as under:

(Amount in Rs.)

Particulars	2019-20	2018-19
Total Income	10,91,21,411	4,01,400
Total Expenditure	4,75,04,391	8,38,065
Profit/(Loss) before tax	6,16,17,020	(4,36,665)
Less: Current Tax	26,25,394	-
Deferred Tax	47,954	
Profit/(Loss) after tax	5,89,43,132	(4,36,665)
Add: Other Comprehensive Income	(1,91,708)	(1,75,027)
Add: Balance Brought forward from previous year	-	-
Profit/Loss and other Comprehensive income during the year	5,87,51,424	(6,11,692)

2. Overview & state of the company's affairs:

During the year under review, the Company has recorded an income of Rs. 10,91,21,411/- and Profit of Rs. **5,87,51,424/-** as against the income of Rs. 4,01,400/- and loss of Rs. (6,11,692)/- in the previous financial year ending 31.03.2019.

The Company is looking forward for good profit margins in near future.

3. Dividend:

Since the Company has not earned expected profit in the financial year 2019-20, therefore your Directors have decided not to recommend dividend for the year.

4. Transfer to reserves:

Pursuant to provisions of Section 134(3)(j) of the Companies Act, 2013, the company has transferred loss of Rs. 56,976,251 to reserves of the company during the year under review.

5. Material changes & commitment affecting the financial position of the Company :

During the period under review, following are the material changes and commitments affecting the financial position of the Company have been occurred between the end of the financial year and the date of this report:-

- A. The promoters and promoter group has entered into Share Purchase Agreement with the new Management and has issued Public Announcement dated 14th June 2019 for acquisition of 34.51% shareholding of the promoters and promoter group by the New Management i.e. Mr. Shrikant Bhangdiya, Mrs. Aarti Bhangdiya, Mrs. Megha Bhangdiya, Mrs. Sonal Bhangdiya and Mrs. Manisha Maniyar. The said acquisition has been intimated and informed to all the stakeholders of the Company which includes SEBI, BSE, Target Company etc.
- B. Board of Directors have approved the following appointments and Resignations of Directors and KMP for the F.Y. 2019-2020

Appointment:-

- a) Shrikant Bhangdiya
- b) Devanshu Bansal
- c) Sonal Bhangdiya
- d) Prashantkumar Lahoti
- e) Anil Khawale

Resignation:-

- a) Machhindranath Krishna Patil, Wholetime Director
- b) Brijmohan Kabra, Independent Director
- c) Sadashiv Waman Mungale, Independent Director
- d) Ramaswamy Ramakrishnan Chandrasekharapuram, CFO(KMP)
- e) Suvarna Shinde, Independent Director

- C. Board of Directors have also approved the shifting of Registered office from 25 & 26, 1ST Floor AC Market Building, Tardeo, Mumbai, Mumbai City 400034 to B-61, Floor 6, Plot No 210, B Wing ,Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400021 in their Meeting held on 09th August 2019.
- D. Company has increased its Authorised Capital from Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.

6. Significant & material orders passed by the regulators or courts or tribunals:

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

7. Transfer of un-claimed dividend to Investor Education and Protection:

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2020.

8. Revision of financial statements:

There was no revision of the financial statements for the year under review.

9. Change in the nature of business, if any:

During the year under review there was change in the nature of Business.

However, by virtue of the experience of New Management pertaining to large scale Infrastructure Sector motivate them to change the existing main object of the Company from Trading Business Activities and to diversify into Infrastructure and Real Estate business. Accordingly, the Board decided to replace the existing Clauses from the Main Object Clause of the Company.

Accordingly, Your Board has approved the Notice of Postal Ballot under Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 for Alteration of Main Object Clause of Memorandum of Association of the Company and The Notice together with Postal Ballot form seeking consent of members through postal ballot, including voting by electronic means (e-voting), have been dispatched to the Members whose names appear in the Register of Members/ Beneficial owners as on the cut-off date i.e. 23/08/2019. The Detail instruction and information relating to voting including e-voting are set out in the postal ballot paper sent to the members. The Company has completed dispatch of the postal ballot paper on 31/08/2019.

10. Deposits from public:

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

11. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

12. Subsidiary companies:

Your Company has no subsidiaries as on March 31, 2020.

13. Selection and procedure for nomination and appointment of directors:

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates' vis-à-vis the required competencies; undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

14. Criteria for determining qualifications, positive attributes and independence of a director:

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

Qualifications - The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

15. Training of Independent Directors:

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors Company's business and activities and were also introduced to Company's staff.

16. Independent director's familiarization programmes:

The familiarization program aims to provide the Independent Directors with the scenario within the Companies Business Activity, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and its web link is <https://www.sobhagyamercantile.com>.

17. Board's performance evaluation:

We conducted a formal Board effectiveness review, as part of our efforts to evaluate the performance of our Board and identify areas that need improvement in order to enhance the effectiveness of the Board, its Committees, and Individual Directors. This was in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Corporate HR team of company worked directly with the Chairperson and the Nomination and Remuneration Committee of the Board to design and execute this process. It was later adopted by the Board.

The criteria for Board processes included Board composition, strategic orientation and team dynamics. Evaluation of each of the Board Committees covered whether they have well-defined objectives and the correct composition, and whether they achieved their objectives. The criteria for Individual Board Members included skills, experience, level of preparedness, attendance, extent of contribution to Board debates and discussion, and how each Director leveraged their expertise and networks to meaningfully contribute to the Company. The criteria for the Chairperson's evaluation included leadership style and conduct of Board meetings. The performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the management.

18. Formal Annual Evaluation:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 14/11/2019 without attendance of non-independent directors and members of management.

In the meeting the following issues were taken up:

- a) Review of the performance of non-independent directors and the Board as a whole;
- b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c) Assessing 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.

The meeting also reviewed and evaluated the performance of non-independent directors.

19. Managerial Remuneration and particulars of employees

During the year under review the Company has not given Remuneration to the Directors of the Company. Accordingly, Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be annexed to this report.

Further, As The Company did not employ any such person whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 pertaining to the top ten names and other particulars of employees, disclosure as per said provisions is not required to be annexed to this report.

20. Number of Board the Meetings:

During the year, Eight (8) meetings of the Board of Directors of the Company were duly convened viz. 22/04/2019, 30/05/2019, 31/07/2019, 09/08/2019, 24/08/2019, 21/09/2019, 14/11/2019 and 12/02/2020 and held in accordance with the provisions of the Act. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

Attendance and directorships held:

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown below:-

The date(s) of the Board Meeting, attendance by the directors are given below:-

Sr. No.	Name	Category	Designation	No. of Meetings		Whether attended Last AGM
				Held	Attended	
1	Mr. Brijmohan Kabra	Independent Non-Executive	Chairman	8	4	No
2	Mr. Machhindranath Patil	Whole Time Director	Member	8	4	No
3	Mrs. Suvarna Shinde	Independent Non-Executive	Member	8	6	No
4	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	8	4	No
6	Mr. Shrikant Bhangdiya	Non-Independent Executive	Chairman	8	5	Yes
7	Mrs. Sonal Bhangdiya	Non-Independent Non-Executive	Member	8	5	Yes
8	Mr. Devanshu Bansal	Independent Non-Executive	Member	8	4	Yes
9	Mr. Prashant Kumar Lahoti	Independent Non-Executive	Member	8	3	No

*Mr. Brijmohan Kabra, and Mr. Machhindranath Patil, Mr. Sadashiv Waman Mungale resigned w.e.f. 09/08/2019, Mrs. Suvarna Shinde resigned w.e.f. 21/09/2019 and Mr. Devanshu Bansal Resigned w.e.f. 12/02/2020

21. Committees of the Board

In compliance with the provisions of Sections 177, 178 of the Act, the Board constituted, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee (Committees). The details of composition of the Committees, their meeting and attendance of the members are given below:-

A. Audit Committee

The Board of Directors has constituted an Audit Committee and empowered the committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors. The details of composition, meetings and attendance of the Meetings of the Audit Committee are as under:-

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Brijmohan Kabra	Independent Non-Executive	Member	4	2
2	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	4	2
3	Mrs. Suvarna Shinde	Independent Non-Executive	Chairman	4	2
4	Mr. Shrikant Bhangdiya	Non-Independent Executive	Member	4	2
5	Mr. Devanshu Bansal	Independent Non-Executive	Member	4	1
6	Mr. Prashant Kumar Lahoti	Independent Non-Executive	Chairman	4	2
7	Mrs. Sonal Bhangdiya	Non- Independent Non- Executive	Member	4	1

**Mr. Brijmohan Kabra, and Mr. Machhindranath Patil, Mr. Sadashiv Waman Mungale resigned w.e.f. 09/08/2019, Mrs. Suvarna Shinde resigned w.e.f. 21/09/2019 Mrs. Sonal Bhangdiya

There have been no instances of non acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

B. Nomination And Remuneration Committee

The Board constituted Nomination and Remuneration committee. The Committee has formulated a Nomination and Remuneration Policy. The details of composition, meetings and attendance of the Meetings of the Nomination and Remuneration committee are as under:-

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Brijmohan Kabra	Independent Non-Executive	Member	4	2
2	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	4	2
3	Mrs. Suvarna Shinde	Independent Non-Executive	Chairman	4	3
4	Mr. Shrikant Bhangdiya	Non-Independent Executive	Member	4	2
5	Mr. Devanshu Bansal	Independent Non-Executive	Chairman	4	1
6	Mr. Prashant Kumar Lahoti	Independent Non-Executive	Chairman	4	1
7	Mrs. Sonal Bhangdiya	Non- Independent Non- Executive	Member	4	1

**Mr. Brijmohan Kabra, and Mr. Machhindranath Patil, Mr. Sadashiv Waman Mungale resigned w.e.f. 09/08/2019, Mrs. Suvarna Shinde resigned w.e.f. 21/09/2019

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 of the Listing Regulations was held on 14/11/2019.

22. DETAILS ON GENERAL BODY MEETINGS:

a) Location, date and time of last three AGMS and special resolutions there at as under:

Financial Year	Date	Time	Location	Special Resolution Passed
2018-19	30/09/ 2019	11.00 a.m.	B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai - 400021	No special resolution Passed
2017-18	29/09/ 2018	12.30 p.m.	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034	No special resolution Passed
2016-17	29/09/2017	12.30 p.m.	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034	No special resolution Passed

b) PASSING OF RESOLUTIONS BY POSTAL BALLOT

Company has passed Resolution for Alteration of Object Clause of Memorandum of Association during the Financial Year 2019-20.

c) Company has held one Extra Ordinary General Meeting on 16/03/2020.

23. Directors and key managerial personnel:

As on date of this report, the Company has **Three** Directors, out of those One is Independent Directors and one Chief Financial Officer and One Company Secretary.

a) Re-Appointment/ Appointment of Directors of the Company:

(i) Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to there were no Directors re-appointment/appointment at the Meeting:

b) Key Managerial Personnel:

During the Year under review, following Key Managerial Personnel (KMP) has been appointed and resigned from the post of KMP

Sr. No.	Name of KMP	Designation	Date of Appointment	Date of Cessation
1.	Machhindranath	Wholetime	31/07/2018	09/08/2019

	Patil	Director		
2.	Pradeep Soni	Company Secretary	01/10/2018	12/02/2020
3.	Ramaswamy Ramakrishnan Chandrasekharapuram	Chief Financial Officer (CFO)	22/04/2019	09/08/2019
4.	Mr. Anil Khawale	Chief Financial Officer (CFO)	21/09/2019	--
5.	Ms. Shalinee Singh	Company Secretary (CS)	12/02/2020	--

24. Statutory Auditors :

M/s. Joshi and Shah, Chartered Accountants are appointed as Statutory Auditor of your Company to hold office until the conclusion of the ensuing Annual General Meeting and will seek re-appointment. The Board of Directors at its meeting held on 17th July, 2020, after considering the recommendations of the Audit Committee and subject to the approval of Shareholders in general meeting, had recommended the appointment of M/s Joshi & Shah, Chartered Accountants, (FRN: 144627W), as the Statutory Auditors of the Company. The Shareholders in their 01st Extra Ordinary General meeting of Financial Year 2020-2021 had appointed M/s Joshi & Shah Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office up to the conclusion of ensuing Annual General Meeting. The Auditor shall hold office for a period of five consecutive terms from the conclusion of the this 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company.

The Members, year on year, will be requested, to ratify their appointment as Auditors and to authorise the Board of Directors to fix their remuneration. The Audit committee and Board of directors recommend the ratification of their appointment in the forthcoming annual general meeting.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

25. Internal auditors:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. Ashish Mittal & Associates, Chartered Accountants (Firm Registration No. 019185C) were appointed as Internal Auditors of the Company for the Financial Year 2019-20.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

26. Secretarial auditors:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Parag Dasarwar, Practicing Company Secretaries as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020.

The Board of Directors of the Company appointed M/s. Parag Dasarwar, Practicing Company Secretaries to conduct the Secretarial Audit as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribed under Section 204 of the Companies Act, 2013 for the financial year 2020-2021.

27. Audit reports:

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made, if any —

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2020 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

(b) Secretarial Audit Report:

The Secretarial Audit was carried out by M/s. Parag Dasarwar, Practicing Company Secretaries, for the financial year ended March 31, 2020. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

The Secretarial Compliance Report for the financial year ended 31st March, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations is set out in **Annexure II** to this report.

The Secretarial Audit Report contains certain observations which are as follows:

- a. Pursuant to the provisions of section 203 of the Companies Act, 2013 and Rules framed thereunder Every company shall have Managing Director or Chief Executive Officer or Manager and in their absence, a whole-time director in the capacity of Whole time Key

Managerial Personnel. However, during the year under review the company has not appointed Managing Director or Chief Executive Officer or Manager or Whole-Time director.

- The Company is in the process of appointing Mr. Shrikant Mitesh Bhangdiya as Managing Director as per Section 203 of the Companies Act,2013 and Rules framed thereunder.

b. Pursuant to the provisions of section 177 of the Companies Act, 2013 and rules framed thereunder, The Audit Committee shall consist of minimum of three directors with independent directors forming a majority. However, during the year under review the Company has appointed only one Independent Director.

- The Company is yet searching for a suitable candidate for the designation of Independent Director as per requirement of Company. The Company will comply with the provisions of Section 177 of the Companies Act,2013 and rules framed thereunder as earliest as possible.

c. Pursuant to the provisions of section 178 of the Companies Act, 2013 and rules framed thereunder, the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. However, during the year under review the Company has appointed only one Independent Director.

-Due to pandemic condition, the Company is unable to find a suitable candidate for the designation of Independent Director as per requirement of Company. The Company will comply with the provisions of Section 177 of the Companies Act,2013 and rules framed thereunder as earliest as possible.

28. No Frauds reported by statutory auditors

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

29. Conservation of energy, technology absorption and foreign exchange outgo:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

1. Research and Development (R&D): NIL

2. Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: Nil

2. Foreign Exchange Outgo: Nil

30. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V , Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, is presented in a separate section forming part of the annual report.

31. Risk management policy:

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

32. Corporate governance:

During the Year under review, pursuant to the Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively.

33. Code of Conduct for Prevention of Insider Trading :

The Board of Directors has adopted the Insider Trading Policy in accordance with the Requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to protect the interest of shareholders at large and to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons, Employees and their immediate relatives and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website www.sobhagyamercantile.com.

34. Extract of Annual Return:

As provided under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return under form MGT 9 is annexed herewith as **Annexure- I** to this report.

35. Authorised and paid up capital of the company:

During the year under review, The authorized capital of the company increased from Rs. 25,00,000/- divided into 2,50,000 equity shares of Rs.10/- each to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each and paid up capital of the Company is Rs. 24,00,000/- divided into 2,40,000 equity shares of Rs. 10/- each.

36. Declaration of independence:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

37. Policy on Directors appointment and Remuneration and other details:

The Board Governance, Nomination & Compensation Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at www.sobhagyamercantile.com.

During the year under review the Company has not paid remuneration to the Directors.

38. Director's Responsibility Statement:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that: -

- a) in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have 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 your Company as on 31 March 2020 and of the profit of the Company for the financial year ended 31 March 2020;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

39. Vigil Mechanism/Whistle Blower Policy:

The Board of Directors has formulated a Vigil Mechanism Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the audit Committee.

40. Employee stock option scheme:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

41. Corporate social responsibility policy:

The company has earned a net profit of Rs.5 crore or more during financial year 2019-2020, hence Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is applicable for F.Y. 2020-2021 and the company will comply the said provisions in the F.Y. 2020-2021.

42. Secretarial Standards:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

43. Insurance:

The properties and assets of your Company are adequately insured.

44. Particulars of loans, guarantees:

The Company has not availed any facilities of Credit and Guarantee from the Bank/ Financial Institutions etc.

45. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

46. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2019-20, there were no related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure- III** to this report.

47. Particulars of employees and remuneration:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- per month and above or Rs. 1,02,00,000/- per annum and above in aggregate, the limits prescribed under Section 134 of the Companies Act, 2013.

48. Non-executive directors' compensation and disclosures:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

49. Industry based disclosures as mandated by the respective laws governing the company:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

50. CEO/CFO Certification:

The provision of Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is not applicable to the Company.

51. Prevention of sexual harassment at workplace:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at www.sobhagyamercantile.com.

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

52. Details of Complaints/Requests Received, Resolved And Pending During The Year 2019-20:

a. Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from:-	NIL
b. SEBI / Registrar of Companies / Bombay Stock Exchange / National:-	NIL
c. Stock Exchange / SCORE and so on:-	NIL
d. Number of complaints resolved:-	NA
e. Number of complaints not resolved to the satisfaction of the investors as on March 31, 2020:-	NIL
f. Complaints pending as on March 31, 2020:-	NIL
g. Number of Share transfers pending for approval, as on March 31, 2020:-	NIL

53. Other Disclosures:

There were no instances of material noncompliance nor have any penalties/strictures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, during last 3 financial years.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

54. Appreciation & acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other "financial institutions and shareholders of the Company like SEBI, BSE, NSDL, and etc. for their continued support for the growth of the Company.

**For and on behalf of the Board of
Sobhaygya Mercantile Limited**

Sd/-

Sd/-

**Shrikant Bhangdiya
Director
(DIN: 02628216)**

**Sonal Bhangdiya
Director
(DIN: 03416775)**

Place: Mumbai

Date: 05/12/2020

Annexures-I to the Director's Report

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:									
i.	CIN	L45100MH1983PLC031671							
ii.	Registration Date	27/12/1983							
iii.	Name of the Company	Sobhaygya Mercantile Limited							
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company							
v.	Address of the Registered office and contact details	B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai City MH 400021 IN Tel : 022 – 66301060 Email: sobhagyamercantile9@gmail.com Website: www.sobhagyamercantile.com							
vi.	Whether listed company Yes / No	Yes							
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg Lower Pare (East) Mumbai Maharashtra 400011 India Tel: 022-23016761 Fax: 022-23012517 Email : purvashr@mtnl.net.in							
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company						
1	Section F: Construction Division 42: : Civil engineering Class: 4210 Construction roads and railways	42101	100%						
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:--									
S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section				
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									

f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
* U.T.I.	0	0	0	0	0	0	0	0	0	0
* FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0	0
* I.D.B.I.	0	0	0	0	0	0	0	0	0	0
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0	0
* GOVERNMENT COMPANIES	0	0	0	0	0	0	0	0	0	0
* STATE FINANCIAL CORPORATION	0	0	0	0	0	0	0	0	0	0
* ANY OTHER	0	0	0	0	0	0	0	0	0	0
* OTC DEALERS (BODIES CORPORATE)	0	0	0	0	0	0	0	0	0	0
* PRIVATE SECTOR BANKS	0	0	0	0	0	0	0	0	0	0
Sub Total	0	0	0	0	0	0	0	0	0	0

2. Non Institutions

a) Bodies Corp.

i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0

b) Individuals

i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	62820	62820	26.18	1310	15760	17070	7.11	-19.06
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	94350	94350	39.31	0	140100	140100	58.38	19.06

c) Others (specify)

* UNCLAIMED OR SUSPENSE OR ESCROW ACCOUNT	0	0	0	0	0	0	0	0	0	0
* IEPF	0	0	0	0	0	0	0	0	0	0
* LLP	0	0	0	0	0	0	0	0	0	0
* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0	0
* N.R.I.	0	0	0	0	0	0	0	0	0	0
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	0	0	0	0	0	0	0	0	0	0
* EMPLOYEE	0	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	0	0	0	0	0	0	0	0	0	0
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0	0
* MARKET MAKERS	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	157170	157170	65.49	1310	155860	157170	65.49	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	157170	157170	65.49	1310	155860	157170	65.49	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	82830	157170	240000	100	84140	155860	240000	100	0.00	0.00

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change
--------------------	---	---	----------

Sl. No		Demat	Total	% of Total Shares	Demat	Total	% of Total Shares	during the year
1	MANGALAM EXIM PRIVATE LIMITED	48530	20.22	0.00	0	0.00	0.00	-20.22
2	KUMAAR BAGRODIA	33700	14.04	0.00	0	0.00	0.00	-14.04
3	SHREE KUMAR MANGALAM TRADERS PVT LTD	600	0.25	0.00	0	0.00	0.00	-0.25
4	SHRIKANT BHANGDIYA	0	0.00	0.00	25002	10.42	0.00	10.42
5	MANISHA OMPRAKASH MANIYAR	0	0.00	0.00	14457	6.02	0.00	6.02
6	MEGHA MITESH BHANGDIYA	0	0.00	0.00	14457	6.02	0.00	6.02
7	AARTI SHRIKANT BHANGDIYA	0	0.00	0.00	14457	6.02	0.00	6.02
8	SONAL KIRTIKUMAR BHANGDIYA	0	0.00	0.00	14457	6.02	0.00	6.02

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MANGALAM EXIM PRIVATE LIMITED				
	Decrease by Sell of shares on 30-08-2019				
	Change in Share holding during the year	-48530	-20.22	0	0.00
2	KUMAAR BAGRODIA				
	Decrease by Sell of shares on 30-08-2019				
	Change in Share holding during the year	-33700	-14.04	0	0.00
3	SHREE KUMAR MANGALAM TRADERS PRIVATE LIMITED				
	Decrease by Sell of shares on 30-08-2019				
	Change in Share holding during the year	-600	-0.25	0	0.00
5	SHRIKANT BHANGDIYA				
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0	25002	10.42

6	MANISHA OMPRAKASH MANIYAR	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0.00	14457	6.02
7	MEGHA MITESH BHANGDIYA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0.00	14457	6.02
8	AARTI SHRIKANT BHANGDIYA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0.00	14457	6.02
9	SONAL KIRTIKUMAR BHANGDIYA	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0.00	14457	6.02
(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
1	Kunal Manoj Varma	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11800	4.92
2	Sandeep Keshavrao Koche	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11800	4.92
3	Akshay Kamlesh Baghreacha	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
4	Praphull Chhotalal Thakkar	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
5	Deepak Mithalal Mohta	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
6	BRIJKISHORE GOVINDLAL SARDA	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company

		0	0.00	11750	4.90
7	ANKIT DWARKADAS BHUTADA	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
8	AJAY SADANAND SINGH	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
9	Durgendra Vashisth Singh	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11750	4.90
10	Sanjay Malani	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		0	0.00	11700	4.88
11	Wilson Philip Fernandes	No. of shares	% of total shares of The company	No. of Shares	% of total shares of the company
		1310	0.55	1310	0.55

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Brijmohan Madangopalji Kabra (Independent Director) Resigned on 09/08/2019	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
		NA			
		Change in Share holding during the year	0	0	0
2	Machhindranath Krishna Patil (Whole Time Director) Resigned on 09/08/2019	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		NA			
		Change in Share holding during the year	0	0	0
3	Sadashiv Mungale (Independent Director)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		NA			
		Change in Share holding during the year	0	0	0
4	Suvarna Vitthal Shinde (Independent Director)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
		NA			
		Change in Share holding during the year	0	0	0

5	Pradeep Soni (Company Secretary)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	NA				
	Change in Share holding during the year	0	0	0	0
6	Ramaswamy Ramakrishnan Chandrasekharapuram (Chief Financial Officer)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	NA				
	Change in Share holding during the year	0	0	0	0
7	PRASHANTKUMAR LAHOTI (Independent Director)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	NA				
	Change in Share holding during the year	0	0	0	0
8	SHRIKANT MITESH BHANGDIYA (Director)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0	25002	10.42
9	SONAL KIRTIKUMAR BHANGDIYA (Director)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Increase by purchase of shares on 30-08-2019				
	Change in Share holding during the year	0	0	14457	6.02
10	Anil Ramraoji Khawale (Chief Financial Officer)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	NA				
	Change in Share holding during the year	0	0	0	0
11	Shalinee Chandrabhushan Singh (Company Secretary)	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	NA				

Change in Share holding during the year	0	0	0	0
---	---	---	---	---

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	0	19,85,800	0	19,85,800
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	0	19,85,800	0	19,85,800
Change in Indebtedness during the financial year Addition / Reduction	0	4,92,43,903	0	4,92,43,903
Net Change	0	4,92,43,903	0	4,92,43,903
Indebtedness at the end of the financial year				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	5,12,29,703	0	5,12,29,703
Total (i+ii+iii)	0	5,12,29,703	0	5,12,29,703

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		0
2.	Stock Option		0
3.	Sweat Equity		0
4.	Commission - as % of profit - Others, specify...		0
5.	Others, please specify		0
6.	Total (A)		0
7.	Ceiling as per the Act		NA

B. Remuneration to other directors: NIL

Sl. no.	Particulars of Remuneration	Name of Director	Total Amount
	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	0 0 0 0	0

Total (1)	0	0	0	0	0
Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	0	0	0	0	0
Total (2)	0	0	0	0	0
Total (B)=(1+2)	0	0	0	0	0
Total Managerial Remuneration	0	0	0	0	0
Overall Ceiling as per the Act	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Shalinee Singh	CFO Anil Khawale	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	33,505	3,88,688	4,22,193
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - Others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	33,505	3,88,688	4,22,193

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

**For and on behalf of the Board of
Sobhaygya Mercantile Limited**

Sd/-

Sd/-

Shrikant Bhangdiya
Director
(DIN: 02628216)

Sonal Bhangdiya
Director
(DIN: 03416775)

Place: Mumbai
Date: 05/12/2020



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

SOBHAYGYA MERCANTILE LIMITED

CIN: L45100MH1983PLC031671

B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point
Mumbai City MH 400021

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SOBHAYGYA MERCANTILE LIMITED (hereinafter referred to as 'the Company') having CIN:- L45100MH1983PLC031671. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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 authorised representatives during the conduct of the Secretarial Audit and considering the various relaxations granted by the Securities and Exchange Board of India, the Ministry of Corporate Affairs and other government authorities due to COVID-19 pandemic, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder, as amended from time to time and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, to the extent, applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder; **(except for the matter listed below under point 'a,b,c')**
- (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) The Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs); **Not applicable as there was no reportable event during the financial year under review;**





- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable as there was no reportable event during the financial year under review**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; -**Not applicable as there was no reportable event during the financial year under review;**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as there was no reportable event during the financial year under review**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue & Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; -**Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -**Not applicable as there was no reportable event during the financial year under review;**
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and- **Not applicable as there was no reportable event during the financial year under review;**
 - (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (vi) Other than fiscal, labour and environmental laws which are generally applicable to all Construction and Construction Consultancy companies, the following laws/acts are also, inter alia, applicable to the Company:
- a) The Environment Protection Act, 1986
 - b) The Indian Contract Act, 1872
 - c) The Indian Registration Act, 1908
 - d) The Indian Stamps Act, 1899

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

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered by the Company with BSE Limited.





During the year under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Standards, etc., mentioned above, **Subject to the following observations:-**

- a. *Pursuant to the provisions of section 203 of the Companies Act, 2013 and Rules framed thereunder Every company shall have Managing Director or Chief Executive Officer or Manager and in their absence, a whole-time director in the capacity of Whole time Key Managerial Personnel. However, during the year under review the company has not appointed Managing Director or Chief Executive Officer or Manager or Whole-Time director.*
- b. *Pursuant to the provisions of section 177 of the Companies Act, 2013 and rules framed thereunder, The Audit Committee shall consist of minimum of three directors with independent directors forming a majority. However, during the year under review the Company has appointed only one Independent Director.*
- c. *Pursuant to the provisions of section 178 of the Companies Act, 2013 and rules framed thereunder, the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. However, during the year under review the Company has appointed only one Independent Director.*

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place during the year under review in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.
- ii. Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.
- iii. During the year under review, all the decisions at the meetings of the Board and Committees thereof, were carried out unanimously as the Minutes of these Meetings did not reveal any dissenting member's view.

I further report that 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, Standards, etc.





I further report that no specific event having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Standards, etc., has taken place during the year under review.

Place: Nagpur
Date: 04/12/2020

FOR PARAG DASARWAR
COMPANY SECRETARIES



[Handwritten Signature]
Parag Dasarwar
Company Secretary
Proprietor
FCS No. 9304
CP No.: 8227

UDIN: F009304B001406744

Encl.: Annexure - I



Annexure - I

Notes on the Secretarial Audit report of Sobhaygya Mercantile Limited dated 04/12/2020:

Our report of event date is to be read along with the following notes:-

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company. Further, the scope of our audit does not include financial laws and allied acts.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Nagpur
Date: 04/12/2020

**FOR PARAG DASARWAR
COMPANY SECRETARIES**




Parag Dasarwar
Company Secretary
Proprietor
FCS No. 9304
CP No.: 8227
UDIN: F009304B001406744

Annexure III of this Board Report

Form No. AOC-2

Particulars of contracts/arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis –NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:-

Name of the Party	Nature of Transaction	March 31,2020	March 31,2019
MKS Acme Build Private Limited	Interest free loan - taken - repaid	21500000 1398000	Nil Nil
MKS Constro Venture Private Limited	1.Sales 2.Loan - Taken - Repaid	37,38,440 27759618 1493915	Nil
MKS Flexituffs Limited	Interest free loan -Given -Repaid	358692 Nil	Nil Nil
MNEC – MKS (JV)	Sales	10266000	Nil
BK Buildcon	Share of Profit Investment made	8330252 1510000	Nil
HPS Construction	Sales Share of Profit Investment made	3138262 5390201 2500000	Nil
RB Infra	Share of Profit Investment made	26664489 8100000	Nil
Shanta Infraventure	Share of Profit Investment made	10730893 10000000	Nil
Shrikant Bhangdiya	Loan Taken Repaid	26612000 21750000	Nil Nil
Aarti Bhangdiya	Loan Taken Repaid	48612000 48612000	Nil

MANGALAM EXIM PVT. LTD.	Loan Taken Repaid	691000 2676800	760000 350000
----------------------------	-------------------------	-------------------	------------------

**For and on behalf of the Board of
Sobhaygya Mercantile Limited**

Sd/-

Sd/-

**Shrikant Bhangdiya
Director
(DIN: 02628216)**

**Sonal Bhangdiya
Director
(DIN: 03416775)**

**Place: Mumbai
Date: 05/12/2020**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Sobhaygya Mercantile Limited (Sobhaygya) has its business operations in the field of large scale Infrastructure Sector. Each Business vertical is headed by able, experienced and proven professionals to take the company to the next level of growth. The company is looking at diversification in other sectors related to Infrastructure in a big way and in this direction have plans of acquiring companies related to this sector to achieve rapid inorganic growth in the coming years.

The Company also offers market preparation services. It provides a range of services, including buying, selling hiring, repairing altering, manipulating, treating and otherwise deal in merchandise and commodities and other movable and immovable asset which creates the many opportunities in the Local and Global Market.

To grab the more opportunities and to extend the scope of the Business the company started entering in the Infrastructure sector and doing well in the same field.

Management and our Professional teams are taking efforts to learn and apply new skills in the market for more development in the Businesses of the Company.

COMPANY STRENGTHS: -

Investing in quality and delivering the very best by customization, innovation, adaptability and systems, whether it be our products, services or people, for deeper penetration and visibility for its associates.

COMPANY OPPORTUNITIES AND THREATS: -

The opportunities include Development of technical textile, rising middle class disposable income rising middle class income and consumerism, however Company faces threats such as increased pressure on prices. Slow progress towards international, quality standard and catering changing needs. Competition from international brands.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE: -

Certain products are facing lower productivity due to which the Company is incurring losses, however the change of management will improvise the financial performance of the Company.

OUTLOOK: -

In an intensely competitive and volatile business landscape it is critical for us to stay focused on maintaining our value proposition.

RISK AND CONCERNS: -

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks, inter alia, are Regulations, Competition, Business risk, Technology Obsolescence, Retention of talent etc. Business risk, inter-alia, further includes Financial risk, Political risk, Legal risk etc. For managing Risk more efficiently the company would need to identify the risks that it faces in trying to achieve the objectives of the Company. Once these risks are identified, the Company would need to evaluate these risks to see which of them will have critical impact on the Company and which of them are not significant enough to deserve further attention.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: -

The internal control system of our Company is effective and adequate. The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Internal Control Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Senior Management are taking action to strengthen controls where necessary.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE: -

During the financial year 2019-20, company registered a turnover of Rs. 5,80,03,061/- against there where NIL Business income in financial year 2018-19. The sales of the company increased in this financial year. Net Profit of the company in financial year 2019-20 is Rs. 5,87,51,424/-, in last year the Company has incurred the losses of Rs. 6,11,692/-.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED: -

Your Company recognizes the value addition of its employees and their contribution to the growth and development of the Company. In turn, the Company is committed to train and develop its people and motivate them. Industrial relations have been cordial and mutually beneficial. We have an effective strategy to nurture and grow our people so much so that employee turnaround has been much lower.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statues and other incidental factors.



INDEPENDENT AUDITORS' REPORT

To the Members of,
Sobhagya Mercantile Limited.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Sobhagya Mercantile Limited("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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 year. 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.

Key audit matter	How the matter was addressed in our audit
1. Adoption of Ind AS 116 - Leases: <ul style="list-style-type: none">The Company adopted Ind AS 116 'Leases' (Ind AS 116) with effect from 1 April 2019.Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.	Our audit procedures included: <ul style="list-style-type: none">We have obtained an understanding of the Company's processes and controls for adoption of Ind AS 116.We have assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.



<ul style="list-style-type: none">• The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.• Adoption of the standard involves significant judgements and estimates in determination of the discount rates and the lease term including termination and renewal options.• Additionally, Ind AS 116 requires detailed disclosures in respect of transition.• Considering the judgements and complexities involved in transitioning to this new standard, this is a key audit matter.	<p>Upon transition as at 1 April 2019:</p> <ul style="list-style-type: none">• We have evaluated the method of transition and practical expedients applied.• We have tested the completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and lease liabilities.• We have evaluated the computation of lease liabilities, on a sample of lease contracts, and challenged the key estimates such as discount rates and the lease term.• We have assessed the presentation and disclosures relating to Ind AS 116 including disclosures relating to transition.
--	--

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 in the 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 Responsibility for the Financial Statements

The Company's management and 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 state of affairs, profit including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors in the financial results.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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, to the extent applicable.
2. A) 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2" to this report;
- B) With respect to the other matters to be included in the Auditors' 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 Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements;



JOSHI & SHAH
CHARTERED ACCOUNTANTS

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Joshi & Shah
Chartered Accountants
Firm Registration No. - 144627W

Jaydip Joshi
Partner
Membership No. 170300
UDIN: 20170300AAAAGD3203



Place: Mumbai
Date: 29th July, 2020



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAGYA MERCANTILE LIMITED for the year ended on March 31st 2020]

- 1) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) Some of The Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us no material discrepancies were noticed on such verification;
 - (c) In our opinion and according to 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 are held in the name of the Company.
- 2) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of accounts were not material.
- 3) As informed to us, the company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships and other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to information and explanations given to us, the company has complied with provisions of Section 185 and 186 of Companies Act, 2013 in respect of loans, investments, guarantees and security.
- 5) The company has not accepted any deposits from public during the year in terms of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) The Company is not engaged in production, processing, manufacturing or mining activities therefore, the provisions of maintenance of cost records specified by the central government under sub section (1) of Section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.



- 7) According to the information and explanations given to us, in respect of statutory dues:
- a) The company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of Income tax, service tax, Value Added Tax, Goods and Service Tax, which have been outstanding on account of any dispute.
- 8) According to the information's and explanations given to us, and based on the records of the company, the Company has not defaulted in repayment of dues to a financial institution or bank or government or debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, prima facie, applied by the company for the purpose for which they were obtained, other than temporary deployment pending application.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Joshi & Shah
Chartered Accountants
Firm Registration No. - 144627W

Jaydip Joshi
Partner
Membership No. 170300
UDIN: 20170300AAAAGD3203



Place: Mumbai
Date: 29th July, 2020



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAGYA MERCANTILE LIMITED on the financial statements for the year ended March 31, 2020]

Report on the Internal Financial Controls over Financial Reporting 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 Sobhagya Mercantile Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 transactions are recorded as necessary to permit preparation of financial statements in accordance with 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on 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 (ICAI).

For Joshi & Shah
Chartered Accountants
Firm Registration No. - 144627W



Jaydip Joshi
Partner
Membership No. 170300
UDIN: 20170300AAAAGD3203

Place: Mumbai
Date: 29th July, 2020

SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671

Balance Sheet as at 31st March, 2020

(In Rupees)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(1) ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	4	1,06,33,588	-
(b) Other Intangible Asset		25,03,900	-
(c) Financial Assets			
(i) Investments	5	9,60,66,180	5,32,053
(ii) Loans	6	23,83,192	19,71,250
(2) Current assets			
(a) Inventories		17,693	-
(b) Financial Assets			
(i) Trade Receivables	7	3,11,57,222	-
(ii) Cash and cash equivalents	8	5,67,420	62,873
(c) Current Tax Assets (Net)	9	61,983	81,083
(d) Other current Asset	10	43,17,936	-
Total Assets		14,77,09,115	26,47,259
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	24,00,000	24,00,000
(b) Other Equity	12	5,69,76,251	(17,75,173)
Non Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liability	13	25,54,914	-
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	5,12,29,703	19,85,800
(ii) Trade Payable	15	2,72,15,667	-
(iii) Other Current Liabilities	16	38,01,304	28,932
(iv) Provisions	17	35,31,275	7,700
Total Equity and Liabilities		14,77,09,115	26,47,259
Significant accounting policies	3		
See accompanying notes to standalone financial statements			

As per our report of even date,
For **Joshi & Shah**
Chartered Accountants
FRN.- 144627W

Jaydip Joshi
Partner

Membership No.170300
UDIN: 20170300AAA9D3203



For and on behalf of the board of Directors

Sobhagya Mercantile Limited **Sobhagya Mercantile Limited**

Shrikant Bhangdiya
Director
DIN: 02628216

Sonal Bhangdiya
Director
DIN:03416775

Director

Place : Mumbai
Date : 29th July 2020

SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671

Statement of Profit and Loss for the period ended 31st March, 2020

(In Rupees)

	Particulars	Note No.	Year ended on 31 st March 2020	Year ended on 31 st March 2019
I	Revenue From Operations	18	5,80,03,061	
II	Other Income	19	5,11,18,350	4,01,400
III	Total Income (I+II)		10,91,21,411	4,01,400
IV	EXPENSES			
	Cost of material consumed	20	38,232	
	Employee benefits expense	21	73,55,254	1,95,854
	Change in inventory	22	(17,693)	
	Finance cost	23	2,01,491	
	Depreciation and Amortization Expense		19,12,303	
	Other expenses	24	3,80,14,805	6,42,211
	Total expenses (IV)		4,75,04,391	8,38,065
V	Profit/(loss) before exceptional items and tax (I- IV)		6,16,17,020	(4,36,665)
VI	Exceptional Items			-
VII	Profit/(loss) before tax (V-VI)		6,16,17,020	(4,36,665)
	Tax expense:			
VIII	(1) Current tax		26,25,934	-
	(2) Deferred tax		47,954	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		5,89,43,132	(4,36,665)
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		(1,91,708)	(1,75,027)
XIV	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit / (Loss) and Other Comprehensive Income for the period)		5,87,51,424	(6,11,692)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		244.80	(2.55)



XVII	(2) Diluted		244.80	(2.55)
	Earnings per equity share (for discontinued operation):			
	(1) Basic			-
	(2) Diluted			-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		244.80	(2.55)
	(2) Diluted		244.80	(2.55)
Significant accounting policies			3	
See accompanying notes to standalone financial statements				

As per our report of even date,
For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Jaydip Joshi
Partner
Membership No.170300
UDIN : 20170300AAAA9D3203



For and on behalf of the board of Directors

Sobhagya Mercantile Limited Sobhagya Mercantile Limited

Shrikant Bhangdiya Director
DIN: 02628216

Sonal Bhangdiya Director
DIN: 03416775

Director

Place : Mumbai
Date : 29th July 2020

SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(In Rupees)

PARTICULARS	Year ended on 31 st March 2020	Year ended on 31 st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax as per Profit and Loss Account	6,16,17,020	(4,36,665)
Adjusted for :		
Dividend received	2,515	
Tax Expenses	-	(1,400)
Depreciation	19,12,303	
Share of profit from Investment in Firm	5,11,15,835	(4,92,06,047)
Operating Profit Before Working Capital Changes	1,24,10,973	(4,38,065)
Adjusted for :		
Inventories	(17,693)	
Trade Receivable	(3,11,57,222)	
Other Current Asset	(43,17,936)	
Current Tax Assets	19,100	
Trade Payable	2,72,15,667	
Other Current Liability	37,72,372	17,232
Short Term Provision	35,23,575	7,700
less: Provision for tax	26,73,888	(36,36,024)
Cash from Operating Activities	87,74,949	(4,13,133)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Capital WIP	(1,24,94,877)	
Investment in Capital firm	(4,46,10,000)	
Income Tax Refund	-	1,400
Movement in Loans & Advances	(4,11,942)	
Net Cash used in Investing Activities	(5,75,16,819)	1,400
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/ (Repayment) of ShortTerm Borrowing	4,92,43,903	4,10,000
Proceed from Shares		34,750
Dividend Received	2,515	
Net Cash used in Financing Activities	4,92,46,418	4,44,750
Net Increase/(Decrease) in Cash and Cash Equivalents :	5,04,547	33,017
Opening Balance of Cash & Cash Equivalents	62,873	29,856
Closing Balance of Cash & Cash Equivalents	5,67,420	62,873
Components of Closing Cash & Cash Equivalent		
Bank Balances	3,23,714	
Cash-on-Hand	2,43,706	

As per our report of even date,
For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Jaydip Joshi
Partner
Membership No.170300
UDIN : 20170300AAAA903203
Place : Mumbai
Date : 29th July 2020



For and on behalf of the board of Directors

Sobhagya Mercantile Limited Sobhagya Mercantile Limited

Shrikant Bhangdiya
Director
DIN: 02628216

Sonal Bhangdiya
Director
DIN:03416775

Director

SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671

Statement of Changes in Equity for the period ended 31.03.2020
(In Rupees)

Particulars	Equity Share Capital	Reserves and Surplus				Other Equity			Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Securities Reserve	Premium Reserve	Other Reserves (specify nature)	Retained Earnings	Other Equity			
Balance as at 31st March, 2018	23,65,250	-	-	-	-	(8,53,618)		(3,09,863)	(11,63,481)	
Changes during the year	34,750	-	-	-	-	-		-	-	
Comprehensive income (Net) for the year	-	-	-	-	-	-		(1,75,027)	(1,75,027)	
Profit / (Loss) for the year	-	-	-	-	-	(4,36,665)		-	(4,36,665)	
Balance as at 31st March, 2019	24,00,000	-	-	-	-	(12,90,283)		(4,84,890)	(17,75,173)	
Changes during the year	-	-	-	-	-	-		-	-	
Comprehensive income (Net) for the year	-	-	-	-	-	-		(1,91,708)	(1,91,708)	
Profit / (Loss) for the year	-	-	-	-	-	5,89,43,132		-	5,89,43,132	
Balance as at 31st March, 2020	24,00,000	-	-	-	-	5,76,52,849		(6,76,596)	5,69,76,251	

As per our report of even date,
For, Joshi & Shah
Chartered Accountants
FRN.- 144627W



Jaydip Joshi
Partner
Membership No.170300
UDIN : 20170300AAAAA403203

Place : Mumbai
Date : 29th July 2020

For and on behalf of the board of Directors
Sobhagya Mercantile Limited Sobhagya Mercantile Limited

Shrikant Bhangdiya
Director
DIN: 02628216

Sonal Bhangdiya
Director
DIN:03416775

Director

Notes To Standalone Financial Statements

1. Reporting entity

SOBHAYGYA MERCANTILE LIMITED (the 'Company') is a company domiciled in India, with its registered office situated B-61, FLOOR 6, Plot No.210 B Wing Mittal Tower Free Press Journal Marg, Nariman Point, Mumbai-400021. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on Bombay Stock Exchange (BSE) in India. The Company is primarily involved in Engineering Consultancy and Metal(Aggregate) Sales.

2. Basis of preparation of Financial Statements

A Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3.

B Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupees, unless otherwise indicated.

C Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, which have been measured at fair value as described below :

Fair Value Measurement

The Company measures certain financial instruments at fair value at each reporting date.

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:

- 1) In the principal market for the asset or liability, or
- 2) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the



scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

D Use of estimates and judgements

In preparing these standalone financial statements, the Company has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements .

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 4 - useful life of property, plant and equipment

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalized borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing



the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using Reducing Balance Method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the Company and is recognised in the Statement of Profit and Loss.

Assets acquired under lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation for assets purchased / sold during the period is proportionately charged. The range of estimated useful lives of items of property, plant and equipment are as follows :

Asset	Useful life
Plant and equipment	7.5 - 15 years
Motor vehicles	8 years
Furniture and fixtures	10 years
Office equipment	5 years
Buildings	30 - 60 years
Leasehold land	Lease period

Freehold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

iv. Capital work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

v. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.



(b) Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(ii) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(c) Leases

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information.

The Company at the inception of a contract assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognizes a right-of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings and other financial liabilities.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period



(d) Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after providing for obsolescence, where appropriate. The comparison of cost and net realizable value is made on an item-by-item basis. The net realizable value of materials in process is determined with reference to the selling prices of related finished goods.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Finished goods and stock-in-trade are valued at the lower of net realizable value and cost, computed on a moving weighted average basis.

(e) Financial instruments

i. Recognition and initial measurement

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates



Investment in equity shares in subsidiaries, joint venture and associates is carried at cost in the financial statements.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Statement of Profit and Loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(f) Revenue recognition

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(i) Sale of goods and Services :

Revenue is recognized when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. 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 governments which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognized to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognized when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognized for these contracts and presented separately in the balance sheet.

(ii) Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iii) For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.



(g) Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognized or unrecognized are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

(i) Provisions and contingent liabilities

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

(j) Employee benefits

The company has not provided for Gratuity and Leave encashment benefits till 31.03.2020. The retirement benefits will be debited as and when paid.



(k) Cash and cash equivalents

Cash and cash equivalent includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Earnings per share

Basic Earnings Per Share ("EPS") is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

(m) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(n) Foreign Exchange Transactions

- a) Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of Transactions. Exchange fluctuations between the transaction date and the settlement date in respect of Revenue Transactions are recognized in Profit & Loss Account.
- b) All export proceeds not realised at the year end are restated at the rate prevailing at the year end. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c along with underlying transaction.
- c) The premium or discount arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.



SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671

Schedule 4 : Fixed Assets
For year ended on 31.3.2020

(In Rupees)

Block No.	Description Of Assets/Block of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK			
		As on 1.04.2019	Addition/ Deduction	As on 31.03.2020	As on 1.04.2019	For The Year	Adjustment for sale	As on 31.03.2020	As on 1.04.2019
A	Plant & Machinery	-	1,16,57,192	1,16,57,192	-	13,26,410	-	13,26,410	1,03,30,782
1	Conveyor Belts	-	28,810	28,810	-	3,151	-	3,151	25,458
2	Crusher Herculis Rock Breaker	-	9,50,000	9,50,000	-	82,792	-	82,792	8,67,208
3	Crusher Plant	-	71,27,098	71,27,098	-	7,85,031	-	7,85,031	63,42,067
4	Electrical Fitting & Installation	-	30,16,402	30,16,402	-	3,89,403	-	3,89,403	26,26,998
5	Electrical Motors	-	32,578	32,578	-	4,206	-	4,206	28,373
6	Tools and Equipment	-	56,520	56,520	-	12,702	-	12,702	43,818
7	Weigh Bridge	-	4,45,984	4,45,984	-	49,124	-	49,124	3,96,860
B	Office Equipment	-	1,30,995	1,30,995	-	23,555	-	23,555	1,07,440
1	CC TV Installation	-	44,656	44,656	-	7,668	-	7,668	36,988
2	Inventor & Batteries	-	86,339	86,339	-	15,887	-	15,887	70,452
C	Computer & Peripherals	-	2,56,924	2,56,924	-	61,558	-	61,558	1,95,366
1	Computer	-	2,56,924	2,56,924	-	61,558	-	61,558	1,95,366
D	Leasehold Asset	-	30,04,680	30,04,680	-	5,00,780	-	5,00,780	25,03,900
		-	1,50,49,791	1,50,49,791	-	19,12,303	-	19,12,303	1,31,37,488



SOBHAYGYA MERCANTILE LIMITED
CIN NO: L45100MH1983PLC031671

Notes Forming part of Balance Sheet for year ended on 31.3.2020

(In Rupees)

5	NON-CURRENT INVESTMENTS	Face Value (Rs.)	As at 31st March, 2020		As at March 31, 2019	
			Quantity Nos.	Rs.	Quantity Nos.	Rs.
	Other Investments					
	Investment measured at fair value through other comprehensive income					
	In Equity Shares - Quoted, Fully paid up					
	Arvind Limited (Formerly Arvind Products Ltd.)	10	90	1,769	90	8,172
	Arvind Fashions Ltd. (Issued 1 share for 5 share of Arvind Ltd.)	4	18	2,638	18	18,840
	Anveshan Heavy Engg Ltd (The Anup Engg. Ltd.) (issued 1 share for 27 shares of Arvind Ltd.)	10	3	978	3	1,681
	Arvind Smartspaces Limited	10	9	608	9	1,181
	GSL Securities Limited	10	39,200	1,09,760	39,200	65,856
	ICICI Bank Limited	2	55	17,806	55	21,937
	Jai Prakash Associates Limited	2	7,500	7,875	7,500	41,250
	BPCL (Issued in lieu of 100 shares of Kochi Refinery Ltd.)	10	264	83,662	264	1,04,636
	Orkay Industries Limited	10	550	-	550	-
	Steel Authority of India Limited	10	5,000	1,15,250	5,000	2,68,500
	Total Non-Current Investments			3,40,345		5,32,053
5.1	Category-wise Non Current Investment					
	Financial Assets measured at cost			9,57,25,835		-
	Financial Assets carried at Amortised cost			-		-
	Financial Assets measured at Fair Value through Other Comprehensive Income			3,40,345		5,32,053
	Financial Assets measured at Fair Value through Profit and Loss			-		-
	Total Non-Current Investments			9,60,66,180		5,32,053

6	LOANS	As at 31st March, 2020		As at March 31, 2019	
	Other Loans and Advances (Unsecured, considered good)		23,83,192		19,71,250
	Total		23,83,192		19,71,250

7	Trade Receivables	As at 31st March, 2020		As at 31st March, 2019	
	Trade receivables (considered good)		3,11,57,222		
			3,11,57,222		

8	CASH AND CASH EQUIVALENTS	As at 31st March, 2020		As at 31st March, 2019	
	Cash on Hand		2,43,706		461
	Balance with Banks:				
	RBL Ltd		25,000		
	Union Bank of India		2,98,714		62,412
	Total		5,67,420		62,873



9	CURRENT TAX ASSETS (NET)	As at 31st March, 2020		As at 31st March, 2019	
	At start of the year		81,083		81,083
	Charge for the year		-		-
	Others - Refund Received		(19,100)		(20,000)
	Tax paid during the year				20,000
	Total		61,983		81,083

10	Other current Asset	As at 31st March, 2020		As at 31st March, 2019	
	TDS Receivable		42,81,936.00		
	TCS Receivable		36,000		
	Total		43,17,936		-

11	SHARE CAPITAL	As at 31st March, 2020		As at March 31, 2019	
		Quantity Nos.	Rs.	Quantity Nos.	Rs.
	Authorised share capital				
	Equity Shares of Rs. 10/- each	50,00,000	5,00,00,000	2,50,000	25,00,000
			5,00,00,000		25,00,000
	Issued Capital :				
	Equity Shares of Rs. 10/- each	2,40,000	24,00,000	2,40,000	24,00,000
			24,00,000		24,00,000
	Subscribed and fully paid up Capital :				
	Equity Shares of Rs. 10/- each	2,40,000	24,00,000	2,40,000	24,00,000
	Subscribed but not fully paid up Capital :				
	Equity Shares of Rs. 10/- each	-	-	-	-
	Total		24,00,000		24,00,000

11.1	Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :	As at 31st March, 2020		As at March 31, 2019	
		No. of Shares	Rs.	No. of Shares	Rs.
	Shares outstanding at the beginning of the year	2,40,000	24,00,000	2,40,000	24,00,000
	Add: Shares issued during the year	-	-	-	-
	Less: Shares bought back during the year	-	-	-	-
	Shares Outstanding at the end of the year.	2,40,000	24,00,000	2,40,000	24,00,000



11.2	Details of Calls unpaid	As at 31st March, 2020		As at March 31, 2019	
		No. of Shares	Rs.	No. of Shares	Rs.
	Equity Shares with voting rights				
	- By Directors	-	-	-	-
	- By Officers	-	-	-	-
	- By Others	-	-	-	-
	Total Unpaid Calls	-	-	-	-

11.3	Terms/Rights attached to equity shares: The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31st March 2020, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2019 Rs. Nil)
------	--

11.4	Details of Equity shareholders holding more than 5 % shares in the Company	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares held	% of holding	No. of Shares held	% of holding
	Manisha Maniyar	14,457	6.02		
	Shrikant Bhangdiya	25,002	10.42		
	Megha Bhangdiya	14,457	6.02		
	Aarti Bhangdiya	14,457	6.02		
	Sonal Bhangdiya	14,457	6.02		
	Vinita Bagrodia			72,800	30.33
	Mangalam Exim Pvt. Ltd.			48,530	20.22
	Kumar Mangalam Bagrodia			33,700	14.04
	Sitaram Agarwala			21,550	8.98

12	OTHER EQUITIES	As at 31st March, 2020		As at 31st March, 2019	
	Retained Earnings				
	As Per last Balance Sheet		(12,90,283)		(8,53,618)
	Add / (Less) : Adjustment on account of first time implementation of IND-AS				-
	Add / (Less) : Profit/(Loss) for the year		5,89,43,132		(4,36,665)
	Balance at end of the reporting period		5,76,52,849		(12,90,283)
	Equity instruments through other comprehensive income (FVTOCI Reserve)				
	As Per last Balance Sheet		(4,84,890)		(3,09,863)
	Add / (Less) : Movement in OCI (Net) during the year		(1,91,708)		(1,75,027)
	Balance at end of the reporting period		(6,76,598)		(4,84,890)

13	Lease Liability	As at 31st March, 2020		As at 31st March, 2019	
	Lease liability		25,54,914		
	Total		25,54,914		-

14	Borrowings- Current	As at 31st March, 2020		As at 31st March, 2019	
	Unsecured Loans From:-				
	Related Parties (Repayable on demand)		5,12,29,703		19,85,800
	Total		5,12,29,703		19,85,800



15	Trade Payable	As at 31st March, 2020		As at 31st March, 2019	
	Sundry Creditor For Transportation		6,31,212		
	Sundry Creditor Professional		1,10,30,409		
	Sundry Creditors Fixed Assets		14,75,087		
	Sundry Creditors for Contractors		1,28,67,023		
	Sundry Creditors for Expenses		12,11,937		
	Lease Rent Payable		-		
	Total		2,72,15,667		-

16	Other Current Liabilities	As at 31st March, 2020		As at 31st March, 2019	
	TDS Payable		18,40,008		28,932
	E.P.F. Payable		11,525		-
	Legal & Publication Charges Payable		19,429		-
	Share Transfer & Demat Exps. Payable		18,776		-
	Maharashtra Labour Welfare Fund		1,200		-
	GST Payable		12,10,116		-
	Rent Payable-K.M.Bhangdiya for Lux.Veh.		1,20,000		-
	Director Salary Payable		5,80,250		-
	Total		38,01,304		28,932

17	Provisions	As at 31st March, 2020		As at 31st March, 2019	
	Salary payable		8,26,587		7,500
	Profession Tax payable		5,800		200
	Provision for Deferred tax Liability		47,954		-
	Provision for Taxation		26,25,934		-
	Provision for Audit fees		25,000		-
	Total		35,31,275		7,700



Notes forming part of Profit and Loss Statement for period ended on 31.03.2020

	PARTICULARS	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
18	Revenue From Operations		
	Revenue from Engineering Consultancy	4,28,19,364	-
	Metal Sale	1,51,83,697	-
	Total	5,80,03,061	
19	OTHER INCOME		
a	Dividend Income :		
	From Long Term Investments	2,515	-
b	Interest on Income Tax Refund	-	1,400
c	Commission	-	4,00,000
d	Share of profit from investment in firm	5,11,15,835	-
	Total	5,11,18,350	4,01,400
20	Cost of material consumed		
	Cost of material purchased	38,232	-
	Total	38,232	
21	Change in Inventory		
	Opening stock	-	-
	Closing stock	17,693	-
	Change in inventory	(17,693)	
22	Employee Benefit Expense		
	Salaries and wages	73,55,254	1,95,854
	Total	73,55,254	1,95,854
23	Finance cost		
	Interest on Lease Liability	1,50,234	-
	Interest on TDS	51,034	-
	Interest to Others	223	-
	Total	2,01,491	
24	Other Expense		
	Rent Rates and taxes	1,50,500	2,500
	Power & Fuel	10,41,080	-
	Printing and stationery	1,98,802	-
	Postage & Courier Charges	220	6,936
	Conveyance Expenses	-	-
	Legal and Professional charges	6,95,995	6,01,350
	Office Expense	43,629	-
	Consultancy Charges	2,67,53,342	-
	Crusher Handling Expenses	19,61,621	-
	Crusher Site Expenses	18,87,131	-
	Drilling & Blasting Charges	6,68,595	-
	Site Expenses	3,60,770	-
	Service Charges	61,604	-
	Royalty Expenses	25,61,156	-
	Penalties & late Fees	11,770	-
	Vehical Hire Charges	1,20,000	-
	Miscellaneous expenses	-	20,240



	Repair & Maintenance	5,62,074	-
	Travelling Expense	1,17,688	-
	Transportation Expense	5,87,834	-
	Bank Charges	5,094	565
	Payments to auditors:-		
a	For Statutory Audit	25,900	5,900
b	For Certification	-	4,720
	Total	3,80,14,805	6,42,211

Other Notes to the Financial Statements for the year ended 31st March, 2020

25. Contingent Liabilities Not Provided For :-

	<u>31.03.2020</u>	<u>31.03.2019</u>
a) Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
b) Claims against company not acknowledge as debt	NIL	NIL

26. Foreign Exchange earnings and out-go is Rs. NIL (P.Y. NIL)

27. Segment Information for the period ended on 31st March 2020

Sr.no	Particulars	Year ended on 31.3.20	Year ended on 31.3.19
1	Segment Value of Sales and Services		
	Engineering Consultancy Segment	4,28,19,364	-
	Metal Sale (Stone Crusher) Segment	1,51,83,697	-
	Gross Value of Sales & services	5,80,03,061	-
	Less: Inter Segment Transfer value of Sales and Services	-	-
	Less: GST Recovered	-	-
	Revenue from operations	5,80,03,061	-
2	Segment Results (EBDITA)		
	Engineering Consultancy Segment	86,49,164	-
	Metal Sale (Stone Crusher) Segment	52,95,209	-
	Total Segment Profit before Interest, Depreciation Tax and Amortization	1,39,44,373	-
3	Segment Results (EBIT)		
	Engineering Consultancy Segment	86,49,164	-
	Metal Sale (Stone Crusher) Segment	33,82,907	-
	Total Segment Profit before Interest and Tax	1,20,32,071	-
	(i) Finance cost	(2,01,491)	-
	(ii) Other Income	5,11,18,350	4,01,400
	(iii) Other Unallocable Expenses	(13,31,910)	(8,38,065)
	Profit Before Tax	6,16,17,020	(4,36,665)
	(i) Current Tax	26,25,934	-
	(ii) Deferred Tax	47,954	-
	Profit After Tax	5,89,43,132	(4,36,665)
4	Segment Asset		
	Engineering Consultancy Segment	2,97,05,799	-
	Metal Sale (Stone Crusher) Segment	1,95,45,210	-
	Unallocable Assets	9,84,58,105	26,47,259
	Total Segment Asset	14,77,09,115	26,47,259
5	Segment Liabilities		
	Engineering Consultancy Segment	1,61,85,689	-
	Metal Sale (Stone Crusher) Segment	1,81,94,006	-
	Unallocable Liabilities	5,39,53,167	20,22,432
	Total Segment Liabilities	8,83,32,862	20,22,432

28. Disclosure requirements as per Indian Accounting Standard "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.



List of Related Parties:**Companies under the same Management**

- 1) MKS Acme Build Private Limited
- 2) MKS Constro Venture Private Limited
- 3) MKS Flexituffs Limited
- 4) MNEC - MKS (JV)

Associates / Firms where in Company is Partner

- 1) BK Buildcon
- 2) HPS Construction
- 3) RB Infra
- 4) Shanta Infraventure

Key Managerial Personnel

- 1) Shrikant Bhangdiya - Director
- 2) Mrs Sonal Bhangdiya - Director
- 3) Mr Devanshu Bansal- Director

Relatives of Key Managerial Personnel

- 1) Aarti Bhangdiya - Wife of Director
- 2) Kirti Kumar Bhangdiya

Particulars of transactions during the year with Related Parties

Name of the Party	Nature of transaction	March 31, 2020	March 31, 2019
MKS Acme Build Private Limited	Interest free loan - taken - repaid	21500000 1398000	Nil Nil
MKS Constro Venture Private Limited	1.Sales 2.Loan - Taken - Repaid	37,38,440 27759618 1493915	Nil
MKS Flexituffs Limited	Advance -Given -Repaid	358692 Nil	Nil Nil
MNEC - MKS (JV)	Sales	10266000	Nil
BK Buildcon	Share of Profit Investment made	8330252 1510000	Nil
HPS Construction	Sales Share of Profit Investment Made	3138262 5390201 2500000	Nil Nil
RB Infra	Share of Profit Investment Made	26664489 8100000	Nil
Shanta Infraventure	Share of Profit Investment Made	10730893 10000000	Nil
Shrikant Bhangdiya	Loan Taken	26612000	Nil



	Repaid	21750000	Nil
Aarti Bhangdiya	Loan Taken	48612000	Nil
	Repaid	48612000	
MANGALAM EXIM PVT. LTD.	Loan Taken	691000	760000
	Repaid	2676800	350000

29. Financial Instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 2.

Financial Instruments – fair values and risk management

Particulars			March 31, 2020
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
Investments - Non current	-	-191708	96066180
Loans - Non Current	-	-	2383192
Cash and Cash Equivalents	-	-	567420
Current Tax Assets (Net)	-	-	61983
Financial Liabilities			
Borrowings- Current	-	-	51229703
Trade payables - Current	-	-	3801304
Provisions	-	-	3531275

Financial Instruments – fair values and risk management

Particulars			March 31, 2019
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
Investments - Non current	-	-1,75,027	5,32,053
Loans - Non Current	-	-	19,71,250
Cash and Cash Equivalents	-	-	62,873
Current Tax Assets (Net)	-	-	81,083
Financial Liabilities			
Borrowings- Current	-	-	19,85,800
Trade payables - Current	-	-	28,932
Provisions	-	-	7,700

30. Financial Risk Management Objectives and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies.



Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The company manages market risk through a risk management committee engaged in, inter-alia, evaluation and identification of risk factors with the object of governing/mitigating them according to Company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments. The Board provides oversight and reviews the Risk management policy on a yearly basis

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs a comprehensive interest rate risk management

The company is not exposed to significant interest rate risk as at the respective reporting dates

Foreign currency risk

The company is not exposed to significant interest rate risk as at the respective reporting dates.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

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 treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company. The company-provides for overdue outstanding for more than 90 days other than institutional customers which are evaluated on a case to case basis.



31. **Deferred taxes on Income**

The company is entitled to create deferred tax asset/ liability in the books of A/cs with respect to timing difference of carried forward business and depreciation losses as well as depreciation.

Particulars	March 31, 2020	March 31, 2019
Opening balance of Deferred Tax Liability(Net)	Nil	Nil
Net Deferred tax liability Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax Asset being depreciation loss unabsorbed during the year recognized.	47,954/-	Nil
Net Balance	47,954/-	Nil

32. In the absence of confirmation from some of the parties and pending reconciliation the debit and credit balances with regard to recoverable and payable have been taken as reflected in the books. In the opinion of the Directors, Loans and Advances and Current Assets, if realized in the ordinary course of business, have the value at which they are stated in the Balance Sheet.

33. As per Accounting Standard 20 "Earning Per Share" issued by Institute of Chartered Accountant of India the Company gives following disclosure for the year.

Basic & Diluted Earning per shares

Particulars		March 31, 2020	March 31, 2019
Net Profit Attributable to Shareholders	Rs.	5,87,51,424	(6,11,692)
Weighted average number of equity shares	No.	2,40,000	2,40,000
Nominal Value per share	Rs.	10	10
Earning per share	Rs.	244.80	(2.55)

34. The figures of the previous year have been regrouped and recast wherever necessary to confirm to the groupings of the current year.

35. There were no outstanding Dues to Micro, Small and Medium Enterprises to the Extent Information Available with the Company and the Payments in respect of such suppliers are made within the appointed day.

As per our report of even date,
For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Jaydip Joshi
Partner

Membership No.170300

UDIN : 20170300AAA9D3203

Place : Mumbai

Date : 29th July 2020



For and on behalf of the board of Directors

Sobhagya Mercantile Limited Sobhagya Mercantile Limited

Shrikant Bhangdiya
Director
DIN: 02628216

Sonal Bhangdiya
Director
DIN:03416775

Director