

NOTICE

NOTICE is hereby given that the Thirty-Fourth Annual General Meeting of the members of M/s. SOBHAGYA MERCANTILE LIMITED will be held on Saturday, 29th September, 2018 at 12.30 pm at Registered Office of the Company at 1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034, 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 2018 and the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Brij Mohan Kabra (DIN 00280633), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of Directors and of the Board of Directors and pursuant to the resolution passed by the members at the Thirtieth annual general meeting of the Company held on 20th September, 2014, the appointment of M/s. Vijay R. Tater & Co., Chartered Accountants, Mumbai (Firm Registration No. 111426W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-fourth AGM of the Company for the financial year 2017-18, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, be and is hereby ratified."

SPECIAL BUSINESS:

4. Appointment of Mr. Machhindra Patil (DIN 08179234) as Director of The Company and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Machhindra Patil (DIN 08179234), who was appointed as an Additional Director with effect from 31st July, 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 being eligible for appointment and in respect of which, the company has received a notice in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

5. Appointment of Mrs. Suvarna Shinde (DIN 08189122) as Director of The Company and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mrs. Suvarna Shinde (DIN 08189122), who was appointed as an Additional Director with effect from 31st July, 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 being eligible for appointment and in respect of which, the company has received a notice in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

BY ORDER OF THE BOARD OF DIRECTORS
For Sobhagya Mercantile Limited

Place: Mumbai
Date: 23/08/2018

Sd/-
Brijmohan Kabra
Director
(DIN: 00280633)

Registered Office:
1/25 & 1/26 1st Floor,
Tardeo Airconditioned Market Society,
Tardeo Road, Mumbai - 400 034

NOTES FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE INSTRUMENTS APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIMING OF THE MEETING.
2. A PERSON CAN ACT, AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.
3. The Register of Members & Share Transfer Books of the Company shall remain closed from Monday 24th September, 2018 to Saturday, 29th September 2018 (both days inclusive).
4. Members are requested to intimate the change of address if any to the Company or its Registrar & Share Transfer Agents, **M/s. Purva Shareregistry (India) Pvt. Ltd.** having its office at Gala No.9, Shivshakti Industrial Estate, Opp. Kasturba Hospital Lane, J.R. Boricha Marg, Lower Parel, Mumbai – 400 011.

5. E-voting:

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 34th Annual General Meeting (AGM) through remote e-voting (i.e. voting electronically from a place other than the venue of the general meeting). The Company also proposes to provide the option of voting by means of Ballot Form at the AGM in addition to the electronic voting system mentioned above. The Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating voting by electronic means and the business may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

Shri Rajesh Kumar Mittal, Practicing Company Secretary (Membership No. F4627, C. P. No. 8745), who had consented to act as the Scrutiniser, was appointed by the Board of Directors as the Scrutiniser to scrutinise the voting process (electronically or otherwise) for the 33rd Annual General Meeting of the Company in a fair and transparent manner and submit a consolidated Scrutiniser's report of the total votes cast to the Chairman or a person authorised by him in writing.

- *The procedure with respect to e-voting is provided below:*

A) *In case of Members receiving notice by e-mail from NSDL:*

- i) *Open e-mail and open the attached PDF file viz; "SML.e-voting.pdf" with your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password. The said PDF file contains your "user ID" and "password for e-voting". Please note that this password is an initial password.*
- ii) *Launch internet browser by typing the URL <https://www.evoting.nsdl.com>.*
- iii) *Click on "Shareholder-Login".*
- iv) *Put your user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting, you can use your existing user ID and password for casting your vote.*
- v) *Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to 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 'Forgot Password' option available on the site to reset the same.*
- vi) *Home page of e-voting opens. Click on "e-voting: Active Voting Cycles".*
- vii) *Select "EVEN" (E Voting Event Number) of Sobhagya Mercantile Limited for casting your vote.*
- viii) *Now you are ready for e-voting as "Cast Vote" page opens.*
- ix) *Cast your vote by selecting appropriate option and click on: "Submit" and also "Confirm" when prompted.*
- x) *Upon confirmation, the message "vote cast successfully" will be displayed.*
- xi) *Once you have voted on the resolution, you will not be allowed to modify your vote.*
- xii) *Institutional Shareholders and bodies corporate (i.e. other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote to the Scrutiniser through e-mail to- rajeshmittal@gmail.com with a copy marked to- evoting@nsdl.co.in.*

B) *In case of Members receiving physical copy of Notice of Annual General Meeting :*

- a. *User ID and Initial password sent separately.*
- b. *Please follow all steps from Sl. No. (ii) to Sl. No.(xii) mentioned in (A) above, to cast your vote.*

Other Instructions:

- I. *Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 23rd September, 2018, may obtain their user ID and password for e-voting from the Company or NSDL (Toll free tele no. 1800 222 990). If the member is already registered with NSDL e-voting platform then he can use existing User ID and password for casting the vote through remote e-voting.*
- II. *The remote e-voting facility starts on Wednesday, 26th September, 2018 at 9.00 a.m. and ends on Friday, 28th September, 2018 at 5.00 p.m. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut off date of 23rd September, 2018, may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting thereafter at 5.00 p.m. on Friday, 28th September, 2018. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.*

- III. In case of any queries, you may refer to the “Frequently Asked Questions (FAQs)” for Shareholders and e-voting user manual for Shareholders available at the “downloads” section of NSDL website at www.evoting.nsdl.com or contact NSDL at the following Toll free Telephone No.: 1800 222 990.
- IV. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.
- V. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- VI. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutiniser shall submit a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM to the Chairman or a person authorised by the Chairman. The Chairman or a person authorised by the Chairman, shall declare the result of the voting forthwith.
- VII. The declared results along with the Scrutiniser’s Report will be available on the website of NSDL at www.evoting.nsdl.com and will also be forwarded to the Stock Exchanges where the Company’s shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.
6. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturday.
7. Members holding shares in physical mode are requested to provide their email id, CIN/Regn. No. (for corporate members), Unique Identification No., PAN, in case member is minor than date of birth of minor and name of guardian, declaration regarding beneficial ownership (if any), nomination details, lien details (if any), particulars of dividend mandate etc. and such other information as mentioned under Section 88 (1)(a) of the Companies Act, 2013 and Rule 3(1) of the Companies (Management and Administration) Rules, 2014.
8. Members holding in demat mode are requested to provide the above information to their depository participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013:

Item No 4 of the notice

Mr. Machhindra Patil (DIN 08179234) was appointed as additional director on the Board of the Company with effect from 31st July, 2018 at the board meeting of the company held on 31st May, 2018. In terms of Section 161 of the Companies Act, 2013, the Additional Director to hold office till the ensuing Annual General Meeting. The Company had received notices in writing from a member, proposing their candidatures to the office of directorship. Necessary resolutions seeking approval of the Members for his appointment is placed by means of Ordinary Resolution.

The Board of Directors accordingly recommends the passing of the said resolution.

Except Mr. Machhindra Patil, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Item No 5 of the notice

Mrs. Suvarna Shinde (DIN 08189122) was appointed as additional director on the Board of the Company with effect from 31st July, 2018 at the board meeting of the company held on 31st July, 2018. In terms of Section 161 of the Companies Act, 2013, the Additional Director to hold office till the ensuing Annual General Meeting. The Company had received notices in writing from a member, proposing their candidatures to the office of directorship. Necessary resolutions seeking approval of the Members for his appointment is placed by means of Ordinary Resolution.

The Board of Directors accordingly recommends the passing of the said resolution.

Except Mrs. Suvarna Shinde, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Details of Director seeking re-appointment at the 34th Annual General Meeting

Item No of Notice	2	4	5
Name of Director	Mr. Brij Mohan Kabra	Mr. Machhindra Patil	Mrs. Suvarna Shinde
DIN	00280633	08179234	08189122
Date of Birth	02/01/1944	01/01/1994	03/02/1979
Qualification	Graduate	Graduate	Graduate
Nationality	Indian	Indian	Indian
Date of First Appointment on board	07.04.1986	31.07.2018	31.07.2018
Relationship with other Directors and Key Managerial Personnel	not related to any Directors, Key Managerial Personnels of the Company	not related to any Directors, Key Managerial Personnels of the Company	not related to any Directors, Key Managerial Personnels of the Company
Terms and conditions of appointment or reappointment	Mr. Brij Mohan Kabra retires by rotation at the ensuing AGM and being eligible, seeks re-appointment. The Terms and Conditions of Mr. Brij Mohan Kabra are in accordance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, as may applicable.	Mr. Machhindra Patil was appointed as Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 being eligible for appointment and in respect of which, the company has received a notice in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company.	Mrs. Suvarna Shinde was appointed as Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 being eligible for appointment and in respect of which, the company has received a notice in writing, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company.
Shareholding	0	0	0
Directorship in other Companies	NIL	1. GSL Securities Limited.	NIL

SOBHAGYA MERCANTILE LIMITED
(CIN: L51900MH1983PLC031671)
Regd. Off.: 1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034
Tel.: 022-66301060 Email: sobhagyamercantile9@gmail.com

ATTENDANCE SLIP
(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING PLACE)

*DP ID:	Regd. Folio No:
*Client ID:	No. of Shares Held:

Name of the Member:

Name of the Proxy holder:

I hereby record my presence at the 34th Annual General Meeting of the Company to be held on Saturday , September 29, 2018 at 12.30 pm at the Registered Office Address of the Company at 1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034

* Applicable for investors holding shares in electronic form.

(Signature of the Member/ Proxy)

SOBHAGYA MERCANTILE LIMITED
(CIN: L51900MH1983PLC031671)
Regd. Off.: 1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034
Tel.: 022-66301060 Email: sobhagyamercantile9@gmail.com

Proxy Form
Form No. MGT-11

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

CIN : L51900MH1983PLC031671
Name of the Company : *SOBHAGYA MERCANTILE LIMITED*

Name of the Member (s) : _____
Registered address : _____

E-mail Id : _____
Folio No/Client Id /DP Id : _____

I/We, being the Member(s) of _____ Shares of the above named Company, hereby appoint

1. Name: Address:

E-mail Id: Signature:.....

or failing him

2 Name: Address:

E-mail Id: Signature:

or failing him

3. Name: Address:

E-mail Id: Signature:.....

or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf 34th Annual General Meeting of the Company to be held on Saturday, September 29, 2018 at 12.30 pm at the Registered Office Address of the Company at Regd. Off.: 1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Optional	
		For	Against
Ordinary Business:			
1.	To receive, consider and adopt the Audited Financial statements of the company for the financial year ended 31st March 2018 and the Director's Report and Auditor's Report thereon.		
2.	To appoint a Director in place of Mr. Brij Mohan Kabra (00280633), who retires by rotation and being eligible, offers himself for reappointment.		
3.	To appoint Auditors and fix their remuneration.		
Special Business:			
4.	Appointment of Mr. Machhindra Patil (DIN 08179234) as Director of The Company.		
5.	Appointment of Mrs. Suvarna Shinde (DIN 08189122) as Director of The Company.		

Signed this..... day of2018.

Signature of the Shareholder

Signature of the Proxy holder(s)

Affix
Re. 1/-
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 (forty eight) hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



DIRECTOR'S REPORT

To,
The Members,
Sobhagya Mercantile Limited.

Your Directors have pleasure in presenting the Thirty-fourth Annual Report with the audited statement of Accounts for the year ended 31st March 2018.

Financial Results:

Summary of the working result of the company for the Thirty- fourth Accounting Year ended 31st March, 2018 are given as below:

	Rs. 2017-18	Rs. 2016-17
Gross Profit/(Loss)	(162,510.00)	(9,666.00)
Less : Depreciation	-	-
Profit/(Loss) before tax	<u>(162,510.00)</u>	<u>(9,666.00)</u>
Less: Income Tax	-	-
Profit/(Loss) after tax	(162,510.00)	(9,666.00)
Add/Less :Other Comprehensive Income	74,885.00	(384,748.00)
Add : Balance brought forward from previous year	<u>(1,075,856.00)</u>	<u>(681,442.00)</u>
	<u><u>(1,163,481.00)</u></u>	<u><u>(1,075,856.00)</u></u>

Dividend:

On account of accumulated losses, your directors regret their inability to recommend payment of dividend for the financial year under review.

Transfer to Reserves

The Company has not transferred any amount to reserves.

Operation:

The Company has reported total turnover of Rs 4,07,210/- (Previous year Rs.4,05,218/-). The Net Loss for the year before adjustment on account of comprehensive income under review amounted to Rs. 1,62,510/- (Previous year loss of Rs.9,666/-).

Material Changes between the date of the Board report and end of financial year.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Subsidiary Company:

The Company does not have any subsidiary during the year under review.

Statutory Auditor & Audit Report:

M/s. Vijay R. Tater & Co., Chartered Accountants, who are the statutory auditors of your Company, hold office until the conclusion of the Thirty-fifth AGM to be held in the year 2019, subject to ratification of their appointment at every AGM. 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 notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanations/comments.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s.Sonali Gamne & Associates, Company Secretaries to undertake the secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is attached as **Annexure 'I'** and forms a part of the reports of the Directors.

The observation made by the secretarial auditors in their report are self-explanatory and therefore do not call for any further explanations/comments.

Change in the nature of business:

There is no change in the nature of the business of the company

Director:

Mr. Brij Mohan Kabra shall be retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Mr. Kaushal Mehta (DIN 02449463) and Mrs. Snehlata Gupta (DIN 03170342), Directors of the Company resigned w.e.f. 31.07.2018 from their Directorship and Mr. Machhindra Patil (DIN 08179234) and Mrs. Suvarna Shinde (DIN 08189122), was appointed as an Additional Director of the Company w.e.f. 31.07.2018.

Declaration by Independent Directors:

All the independent directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149 (6) of Companies Act, 2013.

Fixed Deposits:

During the period under review, your company has not accepted any deposits as contemplated under the provisions of section 73 of the Companies Act, 2013. There are no deposits unpaid or unclaimed at the year-end.

Conservation of Energy, Technology Absorption:

Your Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information relating to conservation of energy and technology absorption is therefore not applicable to your Company.

Foreign Exchange Earning & Outgo:

There were no foreign exchange earnings or outgo for your Company during the year.

Corporate Social Responsibility:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

Sr.No.	Name of Directors	Date of Appointment	Date of Cessation
1	Mr. Brijmohan Kabra	07/04/1986	--
2	Mr. Kaushal Atul Mehta	30/03/2012	31/07/2018
3	Ms. Sneh Lata Gupta	27/03/2015	31/07/2018
4	Mr. Machhindranath Patil	31/07/2018	--
5	Mrs. Suvarna Shinde	31/07/2018	--

During the year under review, 5 (Five) Board meetings were held, details of which are given below. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Date of Meeting	No. of Directors attended the meeting
30/05/2017	3
31/07/2017	3
22/08/2017	3
31/10/2017	3
31/01/2018	3

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	Chairman	5	5
2	*Mr. Mukesh Nolkha	Independent Non-Executive	Member	5	0
3	*Mr. Kaushal Atul Mehta	Independent Non-Executive	Member	5	5
4	*Ms. Snehlata Gupta	Independent Non-Executive	Member	5	5

**Mr. Mukesh Nolkha has vacated the office w.e.f. 30.05.2017 and Mr. Kaushal Mehta and Mrs. Snehlata Gupta resigned w.e.f. 31.07.2018*

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

Nomination And Remuneration Committee

The Board constituted Nomination and Remuneration committee. The Committee has formulated a Nomination and Remuneration Policy.

Director's Responsibility Statement:

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of the annual accounts for the year ended 31st March, 2018 and state that :

- (i) in the preparation of the Annual Account, the applicable Accounting standards have been followed with proper explanation relating to material departures;*
- (ii) they 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 and of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;*
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;*
- (iv) they have prepared the annual accounts on a going concern basis;*
- (v) they have laid down internal financial controls to be following by the company and that such internal financial controls are adequate and operating effectively: and*
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.*

Risk Management Policy

The Company's risk management framework is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with group's best practices and guidelines and in line with the local laws and regulations. The Board of Directors has oversight on all the risks assumed by the Company. The business activities are undertaken within this defined policy framework.

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Nomination and Remuneration Committee oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive and Non - executive Directors, Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programs for Directors and the senior management. The Committee further

coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors.

Particulars of loans, guarantees or investments under section 186:

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments.

Particulars of Employee:

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Corporate Governance and Management Discussion and Analysis Report:

This is not applicable/ mandatory as per requirement of applicability of Regulation 15 of SEBI (Listing obligation and disclosure requirements) Regulations, 2015.

Extract Of The Annual Return In Form MGT-9:

The details forming part of extract of annual return as per Form MGT- 9 is annexed herewith as Annexure – 'II'.

Related Party Transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant 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. Hence form AOC - 2 is not applicable to the Company.

Acknowledgement :

Your Directors would like to express their appreciation for co-operation and assistance received from the shareholders, bankers, government authorities and employees during the year under review.

On behalf of the Boards of Directors

**Place : Mumbai
Dated : 23/08/2018**

Sd/-	Sd/-
Brijmohan Kabra	Machhindranath Patil
Director	Director
DIN- 00280633	DIN- 08179234

ANNEXURE TO THE DIRECTOR'S REPORT

**SECRETARIAL AUDIT REPORT
FORM MR - 3**

for the financial year ended **31st March, 2018**

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

To,
The Members,
Sobhagya Mercantile Limited
(L51900MH1983PLC031671)
1/25 & 1/26 1st Floor,
Tardeo Airconditioned Market Society,
Tardeo Road, Mumbai - 400 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sobhagya Mercantile Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017, according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
- a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (SEBI (LODR) Regulation, 2015) ;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended by The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the explanations given to me in the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations were not applicable to the Company:-

- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. No other specific laws, rules and regulations are applicable to the Company as declared by the Company.

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

- i) Secretarial Standards 1, 2 & 3 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above, subject to following observation:

1. The Company has not appointed key managerial personnel as required under section 203 of Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We further report that, the compliance by the Company of the applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all 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 meeting and for meaningful participation at the meeting.
- All decisions at Board meetings and committee meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Director or Committee of the Board, as the case may be.

We 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 and guidelines.

We further report that during the audit period, as per explanation give to us, there were no other instances having a major bearing on the Company's affairs and there were no events of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Place : Kalyan
Date : 20.08.2018

**For Sonali Gamne & Associates
Company Secretaries**

**Sd/-
Sonali Gamne**
ACS No.: 36772
C P No.: 19207

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

‘Annexure A’

To,
The members,
Sobhagya Mercantile Limited, Mumbai

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

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

Place : Kalyan
Date : 20.08.2018

**For Sonali Gamne & Associates
Company Secretaries**

**Sd/-
Sonali Gamne**
ACS No.: 36772
C P No.: 19207

<p>Form No. MGT-9</p> <p>EXTRACT OF ANNUAL RETURN</p> <p>As on the financial year ended on 31/03/2018</p> <p>of</p> <p>SOBHAGYA MERCANTILE LIMITED</p> <p>[Pursuant to Section 92(3) of the Companies Act, 2013 And Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]</p>

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L51900MH1983PLC031671						
ii)	Registration Date	27/12/1983						
iii)	Name of the Company	Sobhagya Mercantile Limited						
iv)	Category of the Company	Company limited by shares						
	Sub Category of the Company	Indian Non-government Company						
v)	Address of the Registered office and contact details:	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034, Maharashtra. Tel : 022 – 66301060 Email: sobhagyamercantile9@gmail.com Website: www.sobhagyamercantile.com						
vi)	Whether shares listed Company If yes, details of stock exchanges where shares are listed	Yes <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>SN</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bombay Stock Exchange</td> <td>512014</td> </tr> </tbody> </table>	SN	Stock Exchange Name	Code	1	Bombay Stock Exchange	512014
SN	Stock Exchange Name	Code						
1	Bombay Stock Exchange	512014						
vii)	Name, Address and Contact details of Registrar & Transfer Agents (RTA)	Purva Share Registry India Pvt. Ltd. Gala No.9, Shiv Shakti Industrial Estate, Opp. Kasturba Hospital Lane, J R Boricha Marg, Lower Parel (East) Mumbai – 400 011. Tel: 022-23016761 Fax: 022-23012517 Email : busicomp@gmail.com						

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)

e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	00	00	00	00	00	00	00	00	00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	62820	62820	26.18	0	62820	62820	26.18	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	33700	94350	128050	53.35	33700	94350	128050	53.35	--
c) Others (specify)									
Sub-total (B)(2):-	33700	157170	190870	79.53	33700	157170	190870	79.53	--
Total Public Shareholding (B)=(B)(1) + (B)(2)	33700	157170	190870	79.53	33700	157170	190870	79.53	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	82830	157170	240000	100.00	82830	157170	240000	100.00	--

ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year	Share holding at the end of the year	% change
----	--------------------	---	--------------------------------------	----------

		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	in share holding during the year
1	Mangalam Exim Private Limited	48530	20.22	--	48530	20.22	--	--
2	Shree Kumar Mangalam Traders Pvt Ltd.	600	0.25	--	600	0.25	--	--

iii) Change in Promoters' Shareholding (please specify, if there is no change)

NO

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49130	20.47	49130	20.47
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year			49130	20.47

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	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	Vinita Bagrodia	72800	30.33	72800	30.33
2	Kumar Mangalam Bagrodia	33700	14.04	33700	14.04
3	Sitaram Agarwala	21550	8.97	21550	8.97
4	Chandra J Vyas	5000	2.08	5000	2.08
5	Shailesh Chandra Bagrodia	4000	1.66	4000	1.66
6	Mahesh Chandra Bagrodia	3500	1.45	3500	1.45
7	O D Agarwal	2250	0.93	2250	0.93
8	Mahendra J Vyas	2000	0.83	2000	0.83
9	Suresh Kumar Jhunjhunwala	1500	0.62	1500	0.62
10	O D Agarwal	1050	0.43	1050	0.43
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA

v) Shareholding of Directors and Key Managerial Personnel: **NIL**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	---	---	---	---
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	---	---	---	---
	At the end of the year	---	---	---	---

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	1393300	0	1393300
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1393300	0	1393300
Change in Indebtedness during the financial year				
* Addition	0	182500	0	182500
* Reduction	0	0	0	0
Net Change	0	182500	0	182500
Indebtedness at the end of the financial year				
i) Principal Amount	0	1575800	0	1575800
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	1575800	0	1575800

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-NIL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				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					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors **NIL**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	N.A.	N.A.	N.A.
	(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				
2	Stock Option				
3	Sweat Equity				
4	Commission				

	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

On behalf of the Boards of Directors

*Place : Mumbai
Dated : 23/08/2018*

Sd/- Brijmohan Kabra Director DIN- 00280633 *Sd/- Machhindranath Patil Director DIN- 08179234*

INDEPENDENT AUDITOR'S REPORT

To the Members of SOBHAGYA MERCANTILE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Sobhagya Mercantile Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements

that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by 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, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements;

ii. The Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **VIJAY R. TATER & CO.**
Chartered Accountants
Firm Registration No. 111426W

Place: Mumbai
Date: 25/09/2018

(Ankush Gupta)
Partner
M.No.120478

SOBHAGYA MERCANTILE LIMITED
ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' our report to the members of SOBHAGYA MERCANTILE LIMITED, ('the Company') for the year ended on March 31, 2018. We report that:-

- i. a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
b) As explained to us, during the year fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c) Since the Company does not have any immovable property hence the provisions of clause i (c) of paragraph 3 of the said order is not applicable to the Company
- ii. The nature of business of the Company does not require it to have any inventory hence provisions of Clause 3(ii) of the aforesaid Order are not applicable to the Company
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a) & (b) of the aforesaid order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantee or security to the parties covered under Section 185 and 186 and hence provisions of Clause 3(iv) of the aforesaid Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve bank of India and provisions of Sections 73 to 76 and any other relevant provisions of the Act and the Rules framed thereunder apply.
- vi. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.
- vii. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the records of the Company examined by us and information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess to the extent applicable, which have not been deposited on account of any disputes.
- viii. The Company has not borrowed from any financial institution, bank, Government or debenture holders and hence, Provisions of clause 3 (viii) of the aforesaid Order are not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. The Company has not paid/provided any managerial remuneration in the current year and hence provisions of Clause 3(xi) of the aforesaid Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
- xiii. Based on our audit procedures and according to the information and explanations given to us by the management, the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the Financial Statements, etc. as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or the persons connected with him and hence provisions of Clause 3(xv) of the aforesaid Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **VIJAY R. TATER & CO.**
Chartered Accountants
Firm Registration No. 111426W

(Ankush Gupta)
Partner
M.No.120478

Place : Mumbai
Date :

SOBHAGYA MERCANTILE LIMITED
ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f) under the 'Report on Other Legal and Regulatory Requirements' our report to the members of SOBHAGYA MERCANTILE LIMITED, ('the Company') for the year ended on March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Act

We have audited internal financial controls over financial reporting of **SOBHAGYA MERCANTILE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year then ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedure 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 controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 a reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 control 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 aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VIJAY R. TATER & CO.
Chartered Accountants
Firm Registration No. 111426W

Place : Mumbai
Date :

(AnkushGuptai)
Partner
M.No.120478

SOBHAGYA MERCANTILE LIMITED				
CIN NO: L51900MH1983PLC031671				
		-	-	-
Balance Sheet as at 31st March, 2018				
(In Rupees)				
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(1) ASSETS				
Non-current assets				
(a) Financial Assets				
(i) Investments	4	7,07,080	6,32,195	4,54,699
(ii) Loans	5	19,71,250	19,71,250	19,71,250
(2) Current assets				
(a) Financial Assets				
(i) Cash and cash equivalents	6	29,856	19,723	30,864
(b) Current Tax Assets (Net)	7	81,083	74,776	54,776
Total Assets		27,89,269	26,97,944	25,11,589
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	8	23,65,250	23,65,250	23,65,250
(b) Other Equity	9	(11,63,481)	(10,75,856)	(12,43,686)
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10	15,75,800	13,93,300	13,75,300
(ii) Trade payables	11	11,700	15,250	14,725
Total Equity and Liabilities		27,89,269	26,97,944	25,11,589
Significant accounting policies	3			
Other notes on accounts are an integral part of the Financial Statements				
As per our report of even date, For VIJAY R. TATER & CO.				
Chartered Accountants		For and on behalf of the board of Directors		
ANKUSH GUPTA	BRIJMOHAN KABRA	KAUSHAL MEHTA		
Partner	Director	Director		
Membership No. 120478	DIN: 00280633	DIN: 02449463		
Place : Mumbai				
Date : 26.05.2018				

SOBHAGYA MERCANTILE LIMITED
CIN NO: L51900MH1983PLC031671

Statement of Profit and Loss for the period ended 31st March, 2018

(In Rupees)

	Particulars	Note No.	2017-18	2016-17
I	Revenue From Operations			
II	Other Income	12	4,07,210	4,05,218
III	Total Income (I+II)		4,07,210	4,05,218
IV	EXPENSES			
	Employee benefits expense	13	37,310	-
	Other expenses	14	5,32,410	4,14,884
	Total expenses (IV)		5,69,720	4,14,884
V	Profit/(loss) before exceptional items and tax (I- IV)		(1,62,510)	(9,666)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(1,62,510)	(9,666)
	Tax expense:			
VIII	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(1,62,510)	(9,666)
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		74,885	1,77,496
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)		(87,625)	1,67,830
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		(0.37)	0.70
	(2) Diluted		(0.37)	0.70
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		(0.37)	0.70
	(2) Diluted		(0.37)	0.70
	Significant accounting policies	3		
	Other notes on accounts are an integral part of the Financial Statements			

As per our report of even date,
For **VIJAY R. TATER & CO.**
Chartered Accountants

For and on behalf of the board of Directors

ANKUSH GUPTA
Partner
Membership No. 120478
Place : Mumbai
Date : 26.05.2018

BRIJMOHAN KABRA
Director
DIN: 00280633

KAUSHAL MEHTA
Director
DIN: 02449463

SOBHAGYA MERCANTILE LIMITED
CIN NO: L51900MH1983PLC031671
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax		(1,62,510)		(9,666)
Adjustments for :				
- Interest on I. Tax Refund	(885)		-	
- Dividend received	(6,325)	(7,210)	(5,218)	(5,218)
Operating Profit / (Loss) before working capital changes		(1,69,720)		(14,884)
(Increase)/Decrease in current assets				
Current Tax Assets	(6,307)		(20,000)	
Increase/(Decrease) in current liabilities				
Trade Payables	(3,550)	(9,857)	525	(19,475)
		-		-
Net Cash used in Operating Activities		(1,79,577)		(34,359)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Dividend Received	6,325		5,218	
Interest on I. Tax Refund	885	7,210	-	5,218
Net Cash Generated From Investing Activities		7,210		5,218
C. CASH FLOW FROM FINANCING ACTIVITIES				
Unsecured Loan taken from Related Parties	1,82,500		18,000	
Repayment of Unsecured Loan taken from Related Parties	-		-	
Net Cash from Financing Activities		1,82,500		18,000
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		10,133		(11,141)
Cash and Cash Equivalents (Opening Balance)		19,723		30,864
Cash and Cash Equivalents (Closing Balance)		29,856		19,723

Notes: Previous year figures have been regrouped and recast wherever necessary to confirm to the current period classification.

As per our report of even date,
For **VIJAY R. TATER & CO.**
Chartered Accountants

For and on behalf of the board of Directors

ANKUSH GUPTA
Partner
Membership No. 120478
Place : Mumbai
Date :

BRIJMOHAN KABRA	KAUSHAL MEHTA
Director	Director
DIN: 00280633	DIN: 02449463

Note to the Financial Statements for the year ended 31st March, 2018

1. Corporate information:

Sobhagya Mercantile Limited (the Company) is domiciled in India and is incorporated under the provisions of the Companies Act, 2013 applicable in India. The registered office of the Company is located at 61B, Mittal Towers, 210, Nariman Point, Mumbai – 4000 21, India. The company is engaged in the business of sourcing students to Educational Institutions.

2. Basis of Preparation of Financial Statements:

For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, “Ind AS”) with effect from April 1, 2016 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2017. These financial statements as and for the year ended March 31, 2017 (the “Ind AS Financial Statements”) are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company has followed the provisions of Ind AS 101-“First Time adoption of Indian Accounting Standards” (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders’ equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

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:

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

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 realisable 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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.

For other fair value related disclosures refer note no 20.

3. SIGNIFICANT ACCOUNTING POLICIES:

A. Property, Plant and Equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

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.

B. 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.

C. Depreciation

Depreciation on tangible Assets has been provided on the WDV method over the useful life of assets in accordance with Schedule II of the Companies Act, 2013. Depreciation for assets purchased /sold during a period is proportionately charged. Assets are amortized over their respective individual estimated useful lives on a written down basis, commencing from the date the asset is available to the Company for its use.

The estimated useful lives for the fixed assets as per Schedule II of the Act are as follows:

- Office Equipment : 5 years
- Computer System & Peripherals : 3 years
- Furniture & Fixtures : 10 years
- Electrical Installations : 10 years

D. Intangible assets

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.

E. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(I) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories :

- (a) Debt instruments and investment in Preference Shares at amortised cost.
- (b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL).
- (c) Equity instruments measured at fair value through other comprehensive income (FVTOCI).

(a) Debt instruments and Investment in Preference Shares at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the profit or loss.

- (b) Debt instruments and investment in Preference Shares at fair value through profit or loss (FVTPL):

Instruments which are held for trading are classified as at FVTPL. Preference instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- (c) Equity instruments measured at fair value through other comprehensive income (FVTOCI):

For all equity instruments other than the ones classified as at FVTPL, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 11 and Ind-AS 18. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, financial guarantee contract payables, or derivative instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

F. Revenue Recognition :

All incomes and expenditure are accounted for on accrual basis unless otherwise stated.

Dividend on shares and securities is recognized when the right to receive the dividend is established.

Other items of revenue are recognised in accordance with the Ind-AS 18 Revenue. Accordingly, wherever there are uncertainties in the ascertainment / realisation of income such as interest from parties (including the financial condition of the party from whom the same is to be realized), the same is not accounted for.

G. Earnings per Share (EPS) :

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (after providing the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of equity shares outstanding during the year.

H. Taxation :

- a) **Current Tax:** A provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.

- b) **Deferred Tax:** Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is a virtual certainty with respect to the reversal of the same in future.

I. Impairment of Assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount

Impairment losses are recognised in the statement of profit and loss.

J. Provisions and Contingencies :

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.

K. Employee Benefits:

The company has not provided for Gratuity and Leave encashment benefits till 31.03.2018. The retirement benefits will be debited as and when paid.

L. 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.

M. Borrowing Costs:-

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

N. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

O. Ind AS issued but not effective

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified the Ind AS 115, Revenue from Contract with Customers. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of this Standard is that an entity shall recognise 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.

This standard will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration,

which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect of this amendment will not be material.

SOBHAGYA MERCANTILE LIMITED
CIN NO: L51900MH1983PLC031671

4 NON-CURRENT INVESTMENTS

	Face Value (Rs.)	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		Quantity Nos.	Rs.	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	34,623	90	35,545	90	24,579
Arvind Smartspaces Limited	10	9	1,649	9	781	-	-
GSL Securities Limited	10	39,200	49,392	39,200	52,528	39,200	61,152
ICICI Bank Limited	2	55	15,312	50	13,842	50	11,827
Jai Prakash Associates Limited	2	7,500	1,42,125	7,500	1,03,125	7,500	57,300
BPCL	10	264	1,12,979	176	1,14,374	88	79,341
Issued in lieu of 100 shares of Kochi Refinery Limited			-		-		-
Orkay Industries Limited	10	550	-	550	5,500	550	5,500
Steel Authority of India Limited	10	5,000	3,51,000	5,000	3,06,500	5,000	2,15,000
Total Non-Current Investments			7,07,080		6,32,195		4,54,699

4.1 Category-wise Non Current Investment

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Rs.	Rs.	Rs.
Financial Assets measured at cost	-	-	-
Financial Assets carried at Amortised cost	-	-	-
Financial Assets measured at Fair Value through Other Comprehensive Income	7,07,080	6,32,195	4,54,699
Financial Assets measured at Fair Value through Profit and Loss	-	-	-
Total Non-Current Investments	7,07,080	6,32,195	4,54,699

5 LOANS

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 01 , 2016</u>
	Rs.	Rs.	Rs.
Other Loans and Advances (Unsecured, considered good)	19,71,250	19,71,250	19,71,250
Total	<u><u>19,71,250</u></u>	<u><u>19,71,250</u></u>	<u><u>19,71,250</u></u>

6 CASH AND CASH EQUIVALENTS

Cash on Hand	2,384	2,682	13,026
Balance with Banks :			
- On Current Accounts	27,472	17,041	17,838
Total	<u><u>29,856</u></u>	<u><u>19,723</u></u>	<u><u>30,864</u></u>

7 CURRENT TAX ASSETS (NET)

At start of the year	74,776	54,776	54,776
Charge for the year	-	-	-
Others	(13,693)	-	-
Tax paid during the year	20,000	20,000	-
Total	<u><u>81,083</u></u>	<u><u>74,776</u></u>	<u><u>54,776</u></u>

8 SHARE CAPITAL

	As at March 31, 2018		As at March 31, 2017		As at 1st April, 2016	
	Quantity Nos.	Rs.	Quantity Nos.	Rs.	Quantity Nos.	Rs.
Authorised share capital						
Equity Shares of Rs. 10/- each	2,50,000	25,00,000	2,50,000	25,00,000	2,50,000	25,00,000
		<u>25,00,000</u>		<u>25,00,000</u>		<u>25,00,000</u>
Issued Capital :						
Equity Shares of Rs. 10/- each	2,40,000	24,00,000	2,40,000	24,00,000	2,40,000	24,00,000
		<u>24,00,000</u>		<u>24,00,000</u>		<u>24,00,000</u>
Subscribed and fully paid up Capital :						
Equity Shares of Rs. 10/- each	2,33,050	23,30,500	2,33,050	23,30,500	2,33,050	23,30,500
Subscribed but not fully paid up Capital :						
Equity Shares of Rs. 10/- each	6,950	34,750	6,950	34,750	6,950	34,750
Total		<u>23,65,250</u>		<u>23,65,250</u>		<u>23,65,250</u>

8.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No.of Shares	Rs.	No.of Shares	Rs.	No.of Shares	Rs.
Shares outstanding at the beginning of the year	2,40,000	23,65,250	2,40,000	23,65,250	2,40,000	23,65,250
Add: Shares issued during the year	-	-	-	-	-	-
Less: Shares bought back during the year	-	-	-	-	-	-
Shares Outstanding at the end of the year	<u>2,40,000</u>	<u>23,65,250</u>	<u>2,40,000</u>	<u>23,65,250</u>	<u>2,40,000</u>	<u>23,65,250</u>

8.2 Details of Calls unpaid

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No.of Shares	Rs.	No.of Shares	Rs.	No.of Shares	Rs.
Equity Shares with voting rights						
- By Directors	-	-	-	-	-	-
- By Officers	-	-	-	-	-	-
- By Others	6,950	34,750	6,950	34,750	6,950	34,750
Total Unpaid Calls	<u>6,950</u>	<u>34,750</u>	<u>6,950</u>	<u>34,750</u>	<u>6,950</u>	<u>34,750</u>

8.3 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 2018, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2017 Rs.

8.4 Details of Equity shareholders holding more than 5 % shares in the Company

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding
Vinita Bagrodia	72,800	30.33	72,800	30.33	72,800	30.33
Mangalam Exim Pltd	48,530	20.22	48,530	20.22	48,530	20.22
Kumar Mangalam Bagrodia	33,700	14.04	33,700	14.04	33,700	14.04
Sitaram Agarwala	21,550	8.97	21,550	8.97	21,550	8.97
		<u>73.56</u>		<u>73.56</u>		<u>73.56</u>

9 OTHER EQUITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retained Earnings			
As Per last Balance Sheet	(12,53,352)	(12,43,686)	(2,85,167)
Add / (Less) : Adjustment on account of first time implementation of IND-AS	-	-	(5,62,244)
Add / (Less) : Profit/(Loss) for the year	(1,62,510)	(9,666)	(3,96,275)
Balance at end of the reporting period	<u>(14,15,862)</u>	<u>(12,53,352)</u>	<u>(12,43,686)</u>
Equity instruments through other comprehensive income (FVTOCI Reserve)			
As Per last Balance Sheet	1,77,496	-	-
Add / (Less) : Movement in OCI (Net) during the year	74,885	1,77,496	-
Balance at end of the reporting period	<u>2,52,381</u>	<u>1,77,496</u>	<u>-</u>

10 Borrowings- Current

Unsecured Loans From:-

Related Parties (Repayable on demand)	15,75,800	13,93,300	13,75,300
Total	<u>15,75,800</u>	<u>13,93,300</u>	<u>13,75,300</u>

11 TRADE PAYABLES

Others	11,700	15,250	14,725
Total	<u>11,700</u>	<u>15,250</u>	<u>14,725</u>

	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.
12 OTHER INCOME		
a <u>Dividend Income :</u>		
From Long Term Investments	6,325	5,218
b Interest on Income Tax Refund	885	-
c Commission	4,00,000	4,00,000
Total	4,07,210	4,05,218
13 EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	37,310	-
Total	37,310	-
14 OTHER EXPENSES		
Rates and taxes	2,500	2,500
Printing and stationery	6,270	5,475
Postage & Courier Charges	1,693	1,769
Conveyance Expenses	25	-
Legal Press Release Charges	27,131	27,545
Share Transfer expenses	41,300	39,100
E-Voting Charges	5,900	11,500
Legal and professional	1,22,780	58,000
Annual Listing Fees	2,87,500	2,29,000
Payments to auditors:-		
a For Statutory Audit	5,000	5,750
b For Certification	2,360	3,450
ROC Filing Fees	2,000	3,100
Miscellaneous expenses	27,600	27,580
Bank Charges	351	115
Total	5,32,410	4,14,884

Note to the Financial Statements for the year ended 31st March, 2018

15. Contingent Liabilities Not Provided For :-

	<u>31.03.2018</u>	<u>31.03.2017</u>
a) Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
b) Claims against company not acknowledge as debts	NIL	NIL

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

17. Segment Reporting

Segment Reporting as defined in Accounting Standards 17 is not applicable as the company is primarily engaged in Finance Activity.

18. Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

I. List of Related Parties :

Name of the Related Party	Nature of Relationship
Mangalam Exim Private Limited	Shareholder
Kumaar Bagrodia	Shareholder

Companies under the same Management :-

- i) GSL Securities Limited - Associate Company

Key Managerial Personnel :-

- a. Independent Director -
- Mr. Kaushal Atul Mehta – Director
 - Mr. Brij Mohan Kabra – Director
 - Mr. Mukesh Kumar Nolkha – Director
 - Mrs. Sneha Lal Gupta- Director

II. Particulars of transactions during the year with Related Parties :-

Name of the Party	Nature of transaction	31/03/2018	31/03/2017
M/s. Mangalam Exim Pvt. Ltd.	Interest Free Loan Taken	2,82,500	3,93,000
	Interest Free Loan Repaid	1,00,000	3,75,000

III. Particulars of Outstanding Balance at the end of the year with Related Parties

Outstanding balance at the end of the year Rs. 15, 75,800. (P. Y. 13,99,300) of any related Party.

19 Managerial Remuneration :-

Salary and other benefits include remuneration paid to Director, as under :-

Nature of transaction	31/03/2018	31/03/2017
Salary	NIL	NIL

20 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 above.

Financial Instruments – fair values and risk management

Particulars	March 31, 2018		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
Investments – Non current	-	74,885	7,07,080
Loans – Non Current	-	-	19,71,250
Cash and Cash Equivalents	-	-	29,856
Current Tax Assets (Net)	-	-	81,083
Financial Liabilities			
Borrowings- Current	-	-	15,75,800
Trade payables - Current	-	-	11,700

Particulars	March 31, 2017		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
Investments – Non current	-	1,77,496	6,32,195
Loans – Non Current	-	-	19,71,250
Cash and Cash Equivalents	-	-	19,723
Current Tax Assets (Net)	-	-	74,776
Financial Liabilities			
Borrowings- Current	-	-	13,93,300
Trade payables – Current	-	-	15,250

Particulars	March 31, 2016		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
Investments – Non current	-	5,62,244	4,54,699
Loans – Non Current	-	-	19,71,250
Cash and Cash Equivalents	-	-	30,864
Current Tax Assets (Net)	-	-	54,776
Financial Liabilities			
Borrowings- Current	-	-	13,75,300
Trade payables - Current	-	-	14,725

21. 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 fulfilment obligation.

23. 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.
24. 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 Earnings Per Share

Particulars	Unit	31.03.2018	31.03.2017
a) Net Profit / (Loss) attributable to equity shareholders	Rs.	(87,625)	1,67,830
b) Weighted average number of equity shares	No.	2,40,000	2,40,000
c) Nominal Value Per Share	Rs.	10	10
d) Earning Per Share	Rs.	(0.37)	0.70

25. Auditors' Remuneration

Particulars	31.3.2018	31.3.2017
As Auditor		
Audit Fees	5,000	5,750
Certification	2,360	3,450
Tax Audit Fees	NIL	NIL
Total	7,360	9,200

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

27. 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.

28. First time adoption of Ind AS :

a) These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements as at and for the year ended 31 March 2017 and in the preparation of the opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

b) Reconciliations between previous GAAP and Ind AS:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

i) Reconciliation of Equity between IND-AS and previous GAAP

Nature of Adjustment	March 31, 2017	April 1, 2016
Shareholders Equity as per previous GAAP	(6,91,108)	(6,81,442)
Adjustments :		
Other Comprehensive Income (FVTOCI) as per IND-AS	(3,84,748)	(5,62,244)
Shareholders Equity as per IND-AS	(10,75,856)	(12,43,686)

In line with Ind AS 101, the above adjustments have been carried out through retained earnings in Reserves and Surplus.

ii) Reconciliation of Profit/(loss) after tax between IND-AS and previous GAAP

Particulars	March 31, 2017
Net profit/(loss) as per Previous GAAP	(9,666)
Adjustments	-
Net profit/(loss) as per Ind AS	(9,666)
Add: Other comprehensive income	(3,84,748)
Total comprehensive income/(loss) as per Ind AS	(3,94,414)

As per our report of even date attached

For **Vijay R. Tater & Co.**
Chartered Accountants

For and on behalf of the Board

Ankush Gupta
Partner

(M.No.120478)

Place: Mumbai
Date: 26.05.2018

Kaushal Mehta
(Director)

DIN: 02449463

Brijmohan Kabra
(Director)

DIN: 00280633