

# SOBHAYGYA MERCANTILE LIMITED

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

CIN: L51900MH1983PLC031671

---

To,

Date: 05/09/2019

**BSE Limited**  
P.J. Towers, Dalal Street  
Mumbai-400001

Dear Sir/Madam

**Sub.:** Submission Annual Report as per Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**Scrip Code:** 512014 (SOBHAGYA MERCHANTILE LTD.)

With reference to the subject cited above, we enclosed herewith the **35<sup>th</sup> Annual Report of the Company** of Annual General Meeting held on **Monday, 30<sup>th</sup> Day of September, 2019** on **11.00 am** at Registered Office of the Company at B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai Mumbai City 400021.

This is for the information and records of the Exchange.

Copy of Annual Report being made available on [www.sobhagyamercantile.com](http://www.sobhagyamercantile.com).

Thanking you.

**Yours faithfully,**

**For SOBHAYGYA MERCANTILE LIMITED**

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

Encl: as above

---

**Contact Details:-**

**Phone:-** 022- 23516166

**Mail id:-** [sobhagyamercantile9@gmail.com](mailto:sobhagyamercantile9@gmail.com)

**Web Site:**[www.sobhagyamercantile.com](http://www.sobhagyamercantile.com)

SOBHAYGYA MERCANTILE  
LIMITED

35<sup>TH</sup> ANNUAL REPORT

2018-2019

## **CONTENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Corporate Information	1
2.	Notice of Annual General Meeting	3
3.	Directors' Report	15
4.	Annexure I to Directors' Report- MGT- 9	35
5.	Annexure II to Directors' Report- MR-3- Secretarial Auditors' Report	44
6.	Annexure III to Directors' Report- AOC-2	49
7.	Management Discussion and Analysis Report	50
8.	Independent Auditor's Report	52
9.	Annexure to Auditor's Report	56
10.	Balance Sheet	60
11.	Statement of Profit and Loss	61
12.	Cash Flow Statement	63
13.	Significant Accounting Policies on Accounts	66
14.	Notes Forming part of the Financial Statements	66
15.	Proxy Form	81
16.	Attendance Slip	83
17.	Ballot Paper	84
18.	Route Map of Place of Annual General Meeting	Last Pg.

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

Mr. Shrikant Bhangdiya	-	Director (DIN: 02628216)
Mrs. Sonal Bhangdiya	-	Director (DIN: 03416775)
Mr. Devanshu Bansal	-	Independent Director (DIN: 03387069)
Mrs. Suvarna Shinde	-	Independent Director (DIN: 08189122)
Mr. Pradeep Soni	-	Company Secretary (BENPS9236J)

### **REGISTERED OFFICE:**

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

**CIN:** L51900MH1983PLC031671

### **STATUTORY AUDITORS:**

M/s. BSVM & Associates,  
Chartered Accountants (Firm Registration No. 123161W)  
202, Kalinga Arcade  
2<sup>nd</sup> Floor. Opp. Bank of India, Shankar Nagar Square  
Nagpur- 440010

### **INTERNAL AUDITOR:**

M/s. MOK and Associates  
Chartered Accountants (Firm Registration No. 115685W)  
Shop No 11 and 12, Regency Avenue,  
Kalyan City, Thane - 421301

### **SECRETARIAL AUDITOR:**

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

### **BANKERS:**

Union Bank of India  
RBL Bank

### **AUDIT COMMITTEE:**

Mr. Devanshu Bansal	-	Chairman
Mrs. Suvarna Shinde	-	Member
Mr. Shrikant Bhangdiya	-	Member

**NOMINATION & REMUNERATION COMMITTEE:**

Mr. Devanshu Bansal	-	Chairman
Mrs. Suvarna Shinde	-	Member
Mr. Shrikant Bhangdiya	-	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Mr. Devanshu Bansal	-	Chairman
Mrs. Suvarna Shinde	-	Member
Mr. Shrikant Bhangdiya	-	Member

**RISK MANAGEMENT COMMITTEE:**

Mr. Devanshu Bansal	-	Chairman
Mrs. Suvarna Shinde	-	Member
Mr. Shrikant Bhangdiya	-	Member

**REGISTRAR & SHARE TRANSFER AGENTS:**

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

**LISTED AT:**

Bombay Stock Exchange Limited

**DEMAT ISIN NUMBER IN NSDL & CDSL:**

INE754D01018

**WEBSITE:**

[www.sobhagyamercantile.com](http://www.sobhagyamercantile.com)

**INVESTOR E-MAIL ID:**

[bhakti.cs@themksgroup.com](mailto:bhakti.cs@themksgroup.com)

## NOTICE

**Notice** is hereby given that the **35<sup>th</sup>** Annual General Meeting of members of M/s. Sobhaygya Mercantile Limited will be held on **Monday, the 30<sup>th</sup> day of September, 2019 at 11.00 A.M.** at the Registered Office of the Company B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai Mumbai City 400021 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 31<sup>st</sup> March 2019, together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint M/s. BSVM & Associates, as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following **Ordinary Resolution** thereof.

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to recommendation of the Audit Committee, M/s. BSVM & Associates, Chartered Accountants, Nagpur (Firm Registration No. 123161W), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. VIJAY R. TATER & CO., Chartered Accountants, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024, at such remuneration and other terms, approved by the Board of Directors of the Company on the recommendation of the Audit Committee.”

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

**SPECIAL BUSINESS:**

3. **Appointment of Mr. Shrikant Bhangdiya (DIN 02628216) as 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. Shrikant Bhangdiya (DIN 02628216), who was appointed as an Additional Director with effect from 9<sup>th</sup> August, 2019 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.”

4. **Appointment of Ms. Sonal Kirtikumar Bhangdiya (DIN 03416775) 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** Ms. Sonal Kirtikumar Bhangdiya (DIN 03416775), who was appointed as an Additional Director with effect from 9<sup>th</sup> August, 2019 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 Mr. Devanshu Dineshkumar Bansal (DIN : 03387069) 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. Devanshu Dineshkumar Bansal (DIN : 03387069), who was appointed as an Additional Director with effect from 9<sup>th</sup> August, 2019 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.”

**6. Increase In Authorized Share Capital of The Company and if thought fit, pass with or without modifications, the following resolution as Ordinary Resolution:**

**“RESOLVED THAT** pursuant to 61(1)(a) and 64(1)(a) of the Companies Act, 2013, and the relevant rules formed there under and in accordance with the provisions of the Articles of Association of the Company, the authorized share capital of the Company be and is hereby increased from Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.”

**“RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company be amended as follows:

For the words and figures,

‘The Authorised Share Capital of the Company is Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) divided into 2,50,000 (Two Lakh Fifty Thousand).’

the following words and figures,

‘The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each.’

be replaced.”

**“RESOLVED FURTHER THAT** any Director of the company be and is hereby authorized to sign and file necessary e-form/s with the Registrar of Companies, and all to do such acts and things as may be necessary to give effect to this resolution.”

**“RESOLVED FURTHER THAT** Mr. Parag Dasarwar, Company Secretary in practice bearing CP No: 8227 be and is hereby authorized to digitally sign and submit the form with the Registrar of Companies.”

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

Sd/-  
**Shrikant Bhangdiya**  
**Director**  
**(DIN: 02628216)**

**Place: Mumbai**  
**Date: 24/08/2019**



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice
4. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 26, 2019 to Monday, September 30, 2019 (both days inclusive),
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Institutional/ Corporate members are required to send to the company a certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Share Transfer Agent.
10. Members are requested to immediately notify any change in their address and e-mail IDs to the Registrar & Share Transfer Agent of the Company at the following address:  
  
M/s. Purva Sharegistry (I) Private Limited  
9 Shiv Shakti Industrial Estate,  
J.R. Boricha Marg, Lower Parel (E),  
Mumbai, 400011  
Phone Number: 23018261 / 23012518,  
Email- purvashr@mtnl.net.in
11. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card details

to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. Purva Shareregistry (I) Private Limited).

12. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
13. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Purva Shareregistry (I) Private Limited, Share Transfer Agents of the Company for their doing the needful.
14. Members are requested to send their queries at least 7 days before the date of meeting so that information can be made available at the meeting.
15. The route map showing directions to reach the venue of the AGM is attached with this Notice.
16. The members may kindly note that no gifts or gift coupons or cash in lieu of gifts will be distributed at or in connection with the AGM
17. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
18. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
19. Electronic copy of the Annual Report for 2018-2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.
20. Members may also note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.sobhagyamercantile.com](http://www.sobhagyamercantile.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [bhakti.cs@themksgroup.com](mailto:bhakti.cs@themksgroup.com).
21. In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019 except in case of requests received for transmission or transposition of securities.
22. Pursuant to Clause 2 (h) of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, individuals who hold a right or entitlement indirectly in the Company are requested to intimate the Company through a declaration in form BEN-1.

### 23. Voting through Electronic Means (E-Voting Facility)

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by M/s. National Securities Depository Limited (“NSDL”).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on September 27, 2019 (10.00 am) to September 29, 2019 (5.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.

A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at bhakti.cs@themksgroup.com. However, if the person is already registered with the NSDL for remote e-voting then the existing user ID & password can be used for casting vote.

The Company has engaged the services of NSDL as the Authorized Agency to provide e-voting facilities. The e-voting particulars are set out below:

EVENT (e-voting event number)	USER ID	PASSWORD/ PIN

Please read the procedure and instructions for e-voting given below before exercising the vote.

### 24. Procedure and instructions for e-voting

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

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

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

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

**Details on Step 1 is mentioned below:**

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code

as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN,your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pdcsngp@gmail.com](mailto:pdcsngp@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

25. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
26. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
27. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio. Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank details.
28. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of

securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. A note on procedure to be followed for dematerialization of physical shareholding and benefits out of it is uploaded on the company's website [www.sobhagyamercantile.com](http://www.sobhagyamercantile.com).

29. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-  
**Shrikant Bhangdiya**  
**Director**  
**(DIN: 02628216)**

**Place: Mumbai**  
**Date: 24/08/2019**

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

**Item No. 3**

Mr. Shrikant Mitesh Bhangdiya (DIN 02628216) was appointed as additional director on the Board of the Company with effect from 9<sup>th</sup> August, 2019 at the board meeting of the company held on 9<sup>th</sup> August, 2019. 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. Shrikant Mitesh Bhangdiya, 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. 4**

Mrs. Sonal Kirtikumar Bhangdiya (DIN 03416775) was appointed as additional director on the Board of the Company with effect from 9<sup>th</sup> August, 2019 at the board meeting of the company held on 9<sup>th</sup> August, 2019. 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. Sonal Kirtikumar Bhangdiya, 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.

### **Item No. 5**

Mr. Devanshu Dineshkumar Bansal (DIN 03387069) was appointed as additional director on the Board of the Company with effect from 9<sup>th</sup> August, 2019 at the board meeting of the company held on 9<sup>th</sup> August, 2019. 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. Devanshu Dineshkumar Bansal, 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 34<sup>th</sup> Annual General Meeting**

<b>Item No of Notice</b>	3	4	5
<b>Name of Director</b>	Mr. Shrikant Bhangdiya	Mrs. Sonal Bhangdiya	Mr. Devanshu Bansal
<b>DIN</b>	02628216	03416775	03387069
<b>Date of Birth</b>	<b>14/04/1984</b>	<b>08/12/1981</b>	<b>12/09/1992</b>
<b>Qualification</b>			
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of First Appointment on board</b>	<b>09.08.2019</b>	<b>09.08.2019</b>	<b>09.08.2019</b>
<b>Relationship with other Directors and Key Managerial Personnel</b>			
<b>Terms and conditions of appointment or reappointment</b>	Appointed as Executive Director for a period of five (5)	Non-Executive Director for a period of five (5) years not	Non-Executive Independent Director for a period of five (5)



	years not liable to retire by rotation	liable to retire by rotation	years not liable to retire by rotation
<b>Shareholding</b>			
<b>Directorship in other Companies</b>	Appointed as director in 18 Other Companies	NIL	Appointed as director in 14 Other Companies

### **Item No. 6**

The Authorised Share Capital of the Company is Rs. 25,00,000/- (Rupees Twenty Five Lakhs Only) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each. It is proposed to increase the authorized Share Capital of the company to Rs. 5,00,00,000/- (Rupees Five Crore Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each. The company required to infuse more funds by way of capital for expansion of the Company and hence it is proposed to increase the authorized.

Therefore, the Board of Directors recommends this ordinary resolution for the consideration and approval of the members.

A statement setting out the following material facts concerning special business to be transacted at an Extra- Ordinary general meeting is being annexed herewith.

- a) The nature of concern or interest, financial or otherwise, if any, in respect of each items of-
  - i) Every director and the manager if any:-N.A.
  - ii) Every other key managerial personnel:-N.A.
  - iii)Relatives of director, manager and other key managerial personnel-N.A
- b) Any other information and facts that may enable members to understand the meaning, scope and implication of items of business and to take decision thereon-N.A.

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

Sd/-

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

**Place: Mumbai  
Date: 24/08/2019**

## **DIRECTORS' REPORT**

To,

The Members,

**Sobhaygya Mercantile Limited.**

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Sobhaygya') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2019.

### **1. Financial summary/highlights:**

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:

(Amount in Rs.)

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Total Income	4,01,400	4,07,210
Total Expenditure	8,38,065	5,32,410
Profit Before Tax And Depreciation	(4,36,665)	(1,62,510)
Less: Depreciation	-	-
Profit/(Loss) before tax	(4,36,665)	(1,62,510)
Less: Tax	-	-
Profit/(Loss) after tax	(4,36,665)	(1,62,510)
Add/Less Other Comprehensive Income	(1,75,027)	74,885
Add: Balance Brought forward from previous year	-	-
Profit/Loss and other Comprehensive income during the year	(6,11,692)	(87,625)

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

During the year under review, the Company has recorded an income of Rs. 4,01,400 and Loss of Rs. (6,11,692) as against the income of Rs. 4,07,210 and loss of Rs. (87,625) in the previous financial year ending 31.03.2018.

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

### **3. Dividend:**

Since the Company is loss making Company, your Directors have decided not to recommend dividend for the year.

#### **4. Transfer to reserves:**

Pursuant to provisions of Section 134(3)(j) of the Companies Act, 2013, the company has transferred loss of Rs. (1,75,027) to general reserves account of the company during the year under review.

#### **5. Material changes & commitment affecting the financial position of the company :**

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

- A. The promoters and promoter group has entered into Share Purchase Agreement with the new Management and has issued Public Announcement dated 14<sup>th</sup> June 2019 for acquisition of 34.51% shareholding of the promoters and promoter group by the New Management i.e. Mr. Shrikant Bhangdiya, Mrs. Aarti Bhangdiya, Mrs. Megha Bhangdiya, Mrs. Sonal Bhangdiya and Mrs. Manisha Maniyar. The said acquisition has been intimated and informed to all the stakeholders of the Company which includes SEBI, BSE, Target Company etc.
- B. Board of Directors have approved the following appointments and Resignations of Directors and KMP in their Meeting held on 09<sup>th</sup> August 2019:-

##### Appointment:-

- a) Shrikant Bhangdiya
- b) Devanshu Bansal
- c) Sonal Bhangdiya

##### Resignation:-

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

- C. Board of Directors have also approved the shifting of Registered office **from** 25 & 26, 1<sup>ST</sup> Floor AC Market Building, Tardeo, Mumbai, Mumbai City 400034 to B-61, Floor 6, Plot

No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai Mumbai City 400021 in their Meeting held on 09<sup>th</sup> August 2019.

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

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

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

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31<sup>st</sup> March 2019.

**8. Revision of financial statements:**

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

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

During the year under review there was no change in the nature of Business.

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

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

Further, There were no other changes in the nature of the business of the company.

**10. Deposits from public:**

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

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

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

#### **11. Depository System:**

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

#### **12. Subsidiary companies:**

Your Company has no subsidiaries as on March 31, 2019.

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

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

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

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

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

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

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

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

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

#### **15. Training of Independent Directors:**

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

#### **16. Independent director's familiarization programmes:**

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

#### **17. Board's performance evaluation:**

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

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

#### **18. FORMAL ANNUAL EVALUATION:**

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 25/03/2019 without attendance of non-independent directors and members of management.

In the meeting the following issues were taken up:

- a) Review of the performance of non-independent directors and the Board as a whole;
- b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

#### **19. Managerial Remuneration and particulars of employees**

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

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

## 20. Number of Board the Meetings:

During the year, Four (4) meetings of the Board of Directors of the Company were duly convened viz. 26/05/2018, 31/07/2018, 31/10/2018 and 31/01/2019 and held in accordance with the provisions of the Act. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

### Attendance and directorships held:

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

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

Sr. No.	Name	Category	Designation	No. of Meetings		Whether attended Last AGM
				Held	Attended	
1	Mr. Brijmohan Kabra	Independent Non-Executive	Chairman	4	4	Yes
2	Mr. Machhindranath Patil	Whole Time Director	Member	4	2	Yes
3	Mrs. Suvarna Shinde	Independent Non-Executive	Member	4	2	Yes
4	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	4	0	No
5	Mr. Kaushal Mehta	Independent Non-Executive	Member	4	2	NA
6	Mrs. Snehlata Gupta	Independent Non-Executive	Member	4	2	NA

\*Mr. Kaushal Mehta and Mrs. Snehlata Gupta resigned w.e.f. 31.07.2018

## 21. Committees of the Board



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

#### **A. Audit Committee**

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

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Brijmohan Kabra	Independent Non-Executive	Chairman	4	4
2	Mr. Machhindranath Patil	Whole Time Director	Member	4	2
3	Mrs. Suvarna Shinde	Independent Non-Executive	Member	4	2
4	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	4	0
5	Mr. Kaushal Mehta	Independent Non-Executive	Member	4	2
6	Mrs. Snehlata Gupta	Independent Non-Executive	Member	4	2

\*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.

## **B. Nomination And Remuneration Committee**

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

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Brijmohan Kabra	Independent Non-Executive	Chairman	4	4
2	Mr. Machhindranath Patil	Whole Time Director	Member	4	2
3	Mrs. Suvarna Shinde	Independent Non-Executive	Member	4	2
4	Mr. Sadashiv Waman Mungale	Independent Non-Executive	Member	4	0
5	Mr. Kaushal Mehta	Independent Non-Executive	Member	4	2
6	Mrs. Snehlata Gupta	Independent Non-Executive	Member	4	2

\*Mr. Kaushal Mehta and Mrs. Snehlata Gupta resigned w.e.f. 31.07.2018

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule VI of the Companies Act, 2013 and Regulation 25 of the Listing Regulations was held on 25/03/2019.

## 22. DETAILS ON GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Location	Special Resolution Passed
2017-18	29/09/ 2018	12.30 pm	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034	No special resolution Passed
2016-17	29/09/2017	12.30 pm	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034	No special resolution Passed
2015-16	30/09/2016	12.30 pm	1/25 & 1/26 1st Floor, Tardeo Airconditioned Market Society, Tardeo Road, Mumbai - 400 034	No special resolution Passed

### b) PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the Financial year 2018-19.

## 23. Directors and key managerial personnel:

As on date of this report, the Company has **four** Directors, out of those Two are Independent Directors including one Woman Independent Director.

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

- (i) Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

#### Details of Director seeking re-appointment at the 35<sup>th</sup> Annual General Meeting

<b>Name of Director</b>	Mr. Shrikant Bhangdiya	Mrs. Sonal Bhangdiya	Mr. Devanshu Bansal
<b>DIN</b>	02628216	03416775	03387069
<b>Date of Birth</b>	<b>14/04/1984</b>	<b>08/12/1981</b>	<b>12/09/1992</b>

<b>Qualification</b>			
<b>Nationality</b>	Indian	Indian	Indian
<b>Date of First Appointment on board</b>	<b>09.08.2019</b>	<b>09.08.2019</b>	<b>09.08.2019</b>
<b>Terms and conditions of appointment or reappointment</b>	Appointed as Executive Director for a period of five (5) years not liable to retire by rotation	Non-Executive Director for a period of five (5) years not liable to retire by rotation	Non-Executive Independent Director for a period of five (5) years not liable to retire by rotation
<b>Directorship in other Companies</b>	Appointed as director in 18 Other Companies	NIL	Appointed as director in 14 Other Companies

**b) Key Managerial Personnel:**

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

Sr. No.	Name of KMP	Designation	Date of Appointment	Date of Cessation
1.	Machhindranath Patil	Wholetime Director	31/07/2018	09/08/2019
2.	Pradeep Soni	Company Secretary	01/10/2018	NIL
3.	Ramaswamy Ramakrishnan Chandrasekharapuram	CFO(KMP)	22/04/2019	09/08/2019

**24. Statutory Auditors :**

M/s. BSVM & Associates are appointed as Statutory Auditor of your Company in place of Vijay R. Tater & Co., Chartered Accountants, to hold office until the conclusion of the 35th AGM to be held in the year 2019 until the conclusion of 40th Annual General Meeting, 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 Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

**25. Internal auditors:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. MOK and Associates, Chartered Accountants (Firm Registration No. 115685W) were appointed as Internal Auditors of the Company for the Financial Year 2018-19.

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

**26. Secretarial auditors:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. Dipti Chandratre, Practicing Company Secretaries as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2019

The Board of Directors of the Company appointed M/s. Parag Dasarwar, Practicing Company Secretaries to conduct the Secretarial Audit as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribed under Section 204 of the Companies Act, 2013 for the financial year 2019-2020.

**27. Audit reports:**

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

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and

procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges.

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

**(b) Secretarial Audit Report:**

The Secretarial Audit was carried out by M/s. Dipti Chandratre, Practicing Company Secretaries, for the financial year ended March 31, 2019. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

The Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2019, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations is set out in **Annexure II** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**28. No Frauds reported by statutory auditors**

During the Financial Year 2018-19, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3)(ca) of the Companies Act, 2013.

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

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

**A. Conservation of Energy:**

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

**B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

**C. Foreign Exchange Earnings and Out Go:**

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

### **30. Management discussion and analysis report:**

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

### **31. Risk management policy:**

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

### **32. Corporate governance:**

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

### **33. Code of Conduct for Prevention of Insider Trading :**

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

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

### **34. Extract of Annual Return:**

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

**35. Authorised and paid up capital of the company:**

During the year under review, The authorized capital of the company stands at Rs. 25,00,000/- divided into 2,50,000 equity shares of Rs.10/- each. The company's paid up capital is Rs. 24,00,000/- divided into 2,40,000 equity shares of Rs. 10/- each.

**36. Declaration of independence:**

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

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

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

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

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

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

**38. Director's Responsibility Statement:**

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



- a) in the preparation of the annual accounts for the financial year ended 31 March 2019, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2019 and of the loss of the Company for the financial year ended 31 March 2019;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

**39. Vigil Mechanism/Whistle Blower Policy:**

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

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

**40. Employee stock option scheme:**

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

**41. Corporate social responsibility policy:**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**42. Secretarial Standards:**

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

**43. Insurance:**

The properties and assets of your Company are adequately insured.

**44. Particulars of loans, guarantees:**

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

**45. Internal Financial Control Systems:**

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

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

**46. Related Party Transactions:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2018-19, there were no related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

**47. Particulars of employees and remuneration:**

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

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

**48. Non-executive directors' compensation and disclosures:**

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

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

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

**50. CEO/CFO Certification:**

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

## 51. Prevention of sexual harassment at workplace:

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

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

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

## 52. Details of Complaints/Requests Received, Resolved And Pending During The Year 2018-19:

a. Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from:-	NIL
b. SEBI / Registrar of Companies / Bombay Stock Exchange / National:-	NIL
c. Stock Exchange / SCORE and so on:-	NIL
d. Number of complaints resolved:-	NA
e. Number of complaints not resolved to the satisfaction of the investors as on March 31, 2019:-	NIL
f. Complaints pending as on March 31, 2019:-	NIL
g. Number of Share transfers pending for approval, as on March 31, 2019:-	NIL

## 53. Other Disclosures:

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

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

**54. Appreciation & acknowledgement:**

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

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

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

**Sd/-**

**Sd/-**

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

**Devanshu Bansal  
Director  
(DIN: 03387069)**

**Place: Mumbai  
Date: 24/08/2019**

## Annexures-I to the Director's Report

MGT 9

### Extract of Annual Return

As on the Financial Year 31.03.2019

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

I. REGISTRATION AND OTHER DETAILS:		
i.	CIN	L51900MH1983PLC031671
ii.	Registration Date	27/12/1983
iii.	Name of the Company	Sobhaygya Mercantile Limited
iv.	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v.	Address of the Registered office and contact details	B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai City MH 400021 IN Tel : 022 – 66301060 Email: sobhagyamercantile9@gmail.com Website: www.sobhagyamercantile.com
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg Lower Parel (East) Mumbai Maharashtra 400011 India 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:-

S.I. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities	64990	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	Mangalam Exim Private Limited	U27100MH1984PTC032160	Associate Company	20.22%	2(6)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	33700	0	33700	14.041666666666667	33700	0	33700	14.041666666666667	0.00

				7				7	
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	49130	0	49130	20.47083 3333333 3	49130	0	49130	20.47083 3333333 3	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
* Directors	0	0	0	0	0	0	0	0	0
* Directors Relatives	0	0	0	0	0	0	0	0	0
* Person Acting In Concern	0	0	0	0	0	0	0	0	0
<b>Sub-total(A) (1) :-</b>	<b>82830</b>	<b>0</b>	<b>82830</b>	<b>34.5125</b>	<b>82830</b>	<b>0</b>	<b>82830</b>	<b>34.5125</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>82830</b>	<b>0</b>	<b>82830</b>	<b>34.5125</b>	<b>82830</b>	<b>0</b>	<b>82830</b>	<b>34.5125</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0

f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	459631	0	459631	5.60	701586	0	701586	7.21	1.61
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
* U.T.I.									
* FINANCIAL INSTITUTIONS									
* I.D.B.I.									
* I.C.I.C.I.									
* GOVERNMENT COMPANIES									
* STATE FINANCIAL CORPORATION									
* ANY OTHER									
* OTC DEALERS (BODIES CORPORATE)									
* PRIVATE SECTOR BANKS									
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	62820	62820	26.175	0	62820	62820	26.175	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	94350	94350	39.3125	0	94350	94350	39.3125	0
c) Others (specify)									



* UNCLAIMED OR SUSPENSE OR ESCROW ACCOUNT	0	0	0	0	0	0	0	0	0	0
* IEPF	0	0	0	0	0	0	0	0	0	0
* LLP	0	0	0	0	0	0	0	0	0	0
* FOREIGN NATIONALS	0	0	0	0	0	0	0	0	0	0
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0	0
* ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0	0
* N.R.I.	0	0	0	0	0	0	0	0	0	0
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0	0
* TRUST	0	0	0	0	0	0	0	0	0	0
* HINDU UNDIVIDED FAMILY	0	0	0	0	0	0	0	0	0	0
* EMPLOYEE	0	0	0	0	0	0	0	0	0	0
* CLEARING MEMBERS	0	0	0	0	0	0	0	0	0	0
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0	0
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0	0
* MARKET MAKERS	0	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>157170</b>	<b>157170</b>	<b>65.4875</b>	<b>0</b>	<b>157170</b>	<b>157170</b>	<b>65.4875</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>157170</b>	<b>157170</b>	<b>65.4875</b>	<b>0</b>	<b>157170</b>	<b>157170</b>	<b>65.4875</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>82830</b>	<b>157170</b>	<b>240000</b>	<b>100</b>	<b>82830</b>	<b>157170</b>	<b>240000</b>	<b>100</b>	<b>0</b>	<b>0</b>

(ii) *Shareholding of Promoters*

Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		Demat	Total	% of	Demat	Total	% of	

				Total Shares			Total Shares	
1.	Mangalam Exim Private Limited	48530	48530	20.22	48530	48530	20.22	0
2.	Kumar Mangalam Bagrodia	33700	33700	14.04	33700	33700	14.04	0
3.	Shree Kumar Mangalam Traders Private Limited	600	600	0.25	600	600	0.25	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc.) Purchase- 21.07.2017				
	At the End of the year				

**NO CHANGE**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		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	Sitaram Agarwala				
		21550	8.98	21550	8.98
3	Chandra J Vyas				
		5000	2.08	5000	2.08
4	Shailesh Chandra Bagrodia				
		4000	1.67	4000	1.67
5	Mahesh Chandra Bagrodia				

		shares	shares ofThe company	shares	of the company
		3500	1.46	3500	1.46
6	O D Agarwal	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		2250	0.94	2250	0.94
7	Mahendra J Vyas	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		2000	0.83	2000	0.83
8	Suresh Kumar Jhunjhunwala	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1500	0.62	1500	0.62
9	O D Agarwal	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1050	0.44	1050	0.44
10	Shree Krishna Jajoo	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1000	0.42	1000	0.42
11	Sharad Kumar Lahri	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1000	0.42	1000	0.42
12	Santosh Lath	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1000	0.42	1000	0.42
13	R K Jain	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
		1000	0.42	1000	0.42
14	Wilson Philip Fernandes	No. of shares	% of total shares ofThe company	No. of shares	% of total shares of the company
	07-09-2018	260	0.11	260	0.11
	21-09-2018	1050	0.44	1310	0.55
	30-03-2019			1310	0.55

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Brijmohan Madangopalji Kabra (Independent Director)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
	At the End of the year	0	0	0	0
<b>2</b>	Machhindranath Krishna Patil (Whole Time Director)	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
	At the End of the year	0	0	0	0
<b>3</b>	Kaushal Atul Mehta (Independent Director)	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	0	0	0	0
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
	At the End of the year	0	0	0	0
<b>4</b>	Snehlata Gianprakash Gupta (Independent Director)	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
	At the End of the year	0	0	0	0
<b>5</b>	Pradeep Soni (Company Secretary)	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
	At the End of the year	0	0	0	0
<b>6</b>	Ramaswamy Ramakrishnan Chandrasekharapuram (Chief Financial Officer)	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>

Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc.)	NA	NA	NA	NA
At the End of the year	0	0	0	0

#### V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount	0	15,75,800.00	0	15,75,800.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>15,75,800.00</b>	<b>0</b>	<b>15,75,800.00</b>
Change in Indebtedness during the financial year Addition / Reduction	0	4,10,000.00	0	4,10,000.00
Net Change	0	<b>4,10,000.00</b>	<b>0</b>	<b>4,10,000.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0	19,85,800.00	0	19,85,800.00
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>19,85,800.00</b>	<b>0</b>	<b>19,85,800.00</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

##### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	NA	NA	NA	NA	0

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

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

For and on behalf of the Board of  
Sobhaygya Mercantile Limited

Sd/-

Sd/-

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

**Devanshu Bansal**  
Director  
(DIN: 03387069)

**Place: Mumbai**  
**Date: 24/08/2019**

**Annexure – II of this Board Report**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2019**

To,  
The Members,  
**Sobhaygya Mercantile Limited**  
(L51900MH1983PLC031671)  
25/26, 1<sup>st</sup> Floor,  
Tardeo AC Market,  
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 **Sobhaygya Mercantile Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing 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 **March 31, 2019** 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 further report that** the compliance with the applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance of future viability of the Company nor a confirmation of efficient management by the Company.

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 March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings

**The provisions of FEMA and Rules are not applicable since there are no Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings by the Company during the period under review.**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



(vi) Other than fiscal, labour and environmental laws which are generally applicable to all construction companies, the following laws/acts are also, inter alia, applicable to the Company:

- a) The Environment Protection Act, 1986
- b) The Indian Contract Act, 1872
- c) The Indian Registration Act, 1908
- d) The Indian Stamps Act, 1899

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI LODR).

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

1. The Company was required to appoint Key Managerial Personnel for the financial year ended 31<sup>st</sup> March, 2019 as per section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and :

- a) The Company has appointed Mr. Pradeep Soni as the Company Secretary of the Company on 01<sup>st</sup> October, 2018.
- b) The Company has appointed Mr. Ramaswamy Chandrashekharapuram as the CFO on 22<sup>nd</sup> April, 2019 (The CFO has resigned from the Company w.e.f. 05-08-2019).

**We further report that** the compliance by the Company of the applicable financial laws including Direct and Indirect Tax Laws and maintenance of the 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:**

1) 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.

- 2) 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.
- 3) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**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 there were no specific events or actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having any bearing on the company's affairs viz.,

- (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 or

Place: NASHIK

Date: 23<sup>rd</sup> August, 2019

Sd/-

**CS Dipti Chandratre**  
Practicing Company Secretary  
Membership No. 28786  
COP No. 10987

This report is to be read with the letter of even date which is annexed as **annexure – I** which forms an integral part of this report.

## **Annexure- I**

To,  
The Members,  
**Sobhaygya Mercantile Limited**

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4) Wherever 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 procedures.
- 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 : NASHIK  
Date :23<sup>rd</sup>August, 2019

Sd/-

**CS Dipti Chandratre**  
Practicing Company Secretary  
Membership No. 28786  
COP No. 10987

**Annexure III of this Board Report**

**Form No. AOC-2**

**Particulars of contracts/arrangements made with related parties**

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis –NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:- NIL

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

**Sd/-**

**Sd/-**

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

**Devanshu Bansal  
Director  
(DIN: 03387069)**

**Place: Mumbai  
Date: 24/08/2019**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

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

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

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

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

### **COMPANY STRENGTHS: -**

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

### **COMPANY OPPORTUNITIES AND THREATS: -**

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

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE: -**

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

### **OUTLOOK: -**

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

**RISK AND CONCERNS: -**

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

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY: -**

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

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE: -**

During the financial year, company registered a turnover of Rs. 401400/- against Rs. 407210/- in financial year 2017-18. The sales of the company decreased in this year. Net Loss of the company is Rs. -436665/- last year to Rs. -162510/- in this year.

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

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

**CAUTIONARY STATEMENT:**

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

.....

## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF**

**SOBHAYGYA MERCANTILE LIMITED**

### *Report on the Audit of Standalone Financial Statements*

#### **Opinion**

We have audited the accompanying Ind AS financial statements of Sobhaygya Mercantile Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (hereinafter referred to as "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 (financial position) of the Company as at March 31, 2019, and loss (financial performance), and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

#### **Other Information**

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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



- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as 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 Statement 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 Standard) Rules 2015 as amended.
  - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
    - i) The Company does not have any pending litigations which would impact its financial position other than those mentioned in notes to accounts.
    - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

**For VIJAY R. TATER & CO.**  
Chartered Accountants  
Firm Registration No. 111426W  
**Sd/-**  
(Suresh Kothari)  
**Partner**  
**M.No.047625**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

## **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 SOBHAYGYA MERCANTILE LIMITED, ('the Company') for the year ended on March 31, 2019. We report that:-

- i.
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The assets have been physically verified by the Management at the end of the year. In our opinion, the frequency of verification is adequate and no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable property are held in the name of the company.
- ii. The nature of business 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 information and explanations given to us, The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act, hence clause (iii) of the said order is not applicable to 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 deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 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 information and explanation given to us and as per the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, Goods and Service Tax, wealth tax, duty of customs, duty of excise, value added tax or cess and other statutory dues were outstanding, as at 31-03-2019, for a period of more than six months from the date they became payable.
  - b) According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax or cess that have not been deposited on account of any disputes.

- viii. According to the information and explanation given to us and as per the records of the Company, the Company has not taken any loans or borrowings from financial institution, bank, Government or Debenture holders. Hence, provisions of clause (viii) 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, transactions with the related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements 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 45IA of the Reserve Bank of India Act, 1934.

For **VIJAY R. TATER & CO.**  
Chartered Accountants  
Firm Registration No. 111426W  
**Sd/-**  
(Suresh Kothari)  
**Partner**  
**M.No.047625**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

## **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, 2019.

### ***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, 2019 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 includes design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of business, including adherence to Company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on Company's internal financial controls over financial reporting 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, 2019, 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

**Sd/-**  
(Suresh Kothari)  
**Partner**  
**M.No.047625**

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

**SOBHAYGYA MERCANTILE LIMITED****CIN NO: L51900MH1983PLC031671****Balance Sheet as at 31st March, 2019****(In Rupees)**

<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Financial Assets			
(i) Investments	4	5,32,053	7,07,080
(ii) Loans	5	19,71,250	19,71,250
<b>(2) Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	6	62,873	29,856
(b) Current Tax Assets (Net)	7	81,083	81,083
<b>Total Assets</b>		<b>26,47,259</b>	<b>27,89,269</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	8	24,00,000	23,65,250
(b) Other Equity	9	(17,75,173)	(11,63,481)
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	19,85,800	15,75,800
(ii) Other Current Liabilities	11	28,932	11,700
(iii) Provisions	12	7,700	-
<b>Total Equity and Liabilities</b>		<b>26,47,259</b>	<b>27,89,269</b>
Significant accounting policies	3		
Other notes on accounts from Note No. 16 to 28 are an integral part of the Financial Statements			
As per our report of even date,			
For <b>VIJAY R. TATER &amp; CO.</b>	For and on behalf of the board of Directors		
Chartered Accountants			
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>SURESH G. KOTHARI</b>	<b>SUVARNA SHINDE</b>	<b>MACHHINDRANATH PATIL</b>	
Partner	Director	Director	
Membership No. 047625	<b>DIN: 08189122</b>	<b>DIN: 08179234</b>	
Place : Mumbai			
Date : 30/05/2019			



**SOBHAYGYA MERCANTILE LIMITED**

**CIN NO: L51900MH1983PLC031671**

**Statement of Profit and Loss for the period ended 31st March, 2019**

**(In Rupees)**

	<b>Particulars</b>	<b>Note No.</b>	<b>2018-19</b>	<b>2017-18</b>
I	Revenue From Operations			
II	Other Income	13	4,01,400	4,07,210
III	Total Income (I+II)		4,01,400	4,07,210
IV	<b>EXPENSES</b>			
	Employee benefits expense	14	1,95,854	37,310
	Other expenses	15	6,42,211	5,32,410
	Total expenses (IV)		8,38,065	5,69,720
V	Profit/(loss) before exceptional items and tax (I- IV)		(4,36,665)	(1,62,510)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(4,36,665)	(1,62,510)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		(4,36,665)	(1,62,510)
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		(1,75,027)	74,885
	(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)		(6,11,692)	(87,625)
XVI	Earnings per equity share (for			



	continuing			
	operation):			
	(1) Basic		(2.55)	(0.37)
	(2) Diluted		(2.55)	(0.37)
XVII	Earnings per equity share (for discontinued			
	operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued &			
	continuing operations)			
	(1) Basic		(2.55)	(0.37)
	(2) Diluted		(2.55)	(0.37)
	Significant accounting policies	3		
Other notes on accounts from Note No. 16 to 28 are an integral part of the Financial Statements				
	As per our report of even date,			
	<b>For VIJAY R. TATER &amp; CO.</b>	For and on behalf of the board of Directors		
	Chartered Accountants			
	<b>Sd/-</b>	Sd/-		Sd/-
	<b>SURESH G. KOTHARI</b>	<b>SUVARNA SHINDE</b>	<b>MACHHINDRANATH PATIL</b>	
	Partner	Director	Director	
	Membership No. 047625	<b>DIN: 08189122</b>	<b>DIN: 08179234</b>	
	Place : Mumbai			
	Date : 30/05/2019			

**SOBHAYGYA MERCANTILE LIMITED**

**CIN NO: L51900MH1983PLC031671**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	For the Year Ended		For the Year Ended	
	March 31, 2019		March 31, 2018	
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit / (Loss) before tax		(4,36,665)		(1,62,510)
Adjustments for :				
- Interest on I. Tax Refund	(1,400)		(885)	
- Dividend received	-	(1,400)	(6,325)	(7,210)
<b>Operating Profit / (Loss) before working capital changes</b>		(4,38,065)		(1,69,720)
<b>(Increase)/Decrease in current assets</b>				
Current Tax Assets	-		(6,307)	
<b>Increase/(Decrease) in current liabilities</b>				
Other Current Liabilities	17,232		(3,550)	
Provisions	7,700	24,932	-	(9,857)
<b>Net Cash used in Operating Activities</b>		(4,13,133)		(1,79,577)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Dividend Received	-		6,325	
Interest on I. Tax Refund	1,400	1,400	885	7,210
<b>Net Cash Generated From Investing Activities</b>		1,400		7,210
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Unsecured Loan taken from Related Parties	4,10,000		1,82,500	
Repayment of Unsecured Loan taken from Related Parties	-		-	
Proceed from Shares	34,750		-	
<b>Net Cash from Financing Activities</b>		4,44,750		1,82,500
<b>Net increase / (decrease) in</b>		<b>33,017</b>		<b>10,133</b>

<b>Cash and Cash Equivalents (A+B+C)</b>				
<b>Cash and Cash Equivalents (Opening Balance)</b>		29,856		19,723
<b>Cash and Cash Equivalents (Closing Balance)</b>		<b>62,873</b>		<b>29,856</b>
<b>Notes:</b> Previous year figures have been regrouped and recast wherever necessary to confirm to the current period classification.				
As per our report of even date,				
<b>For VIJAY R. TATER &amp; CO.</b>	<b>For and on behalf of the board of Directors</b>			
Chartered Accountants				
Sd/-	Sd/-		Sd/-	
<b>SURESH G. KOTHARI</b>	<b>SUVARNA SHINDE</b>		<b>Machhindranath Patil</b>	
Partner	Director		Director	
Membership No. 047625	<b>DIN: 08189122</b>		<b>DIN: 08179234</b>	
Place : Mumbai				
Date : 30/05/2019				

**STATEMENT OF CHANGES IN EQUITY**

**Statement of Changes in Equity for the period ended  
31.03.2019**

(In Rupees)

Particulars	Equity Share Capital	Other Equity					Total
		Reserves and Surplus				Equity Instruments through Other Comprehensive Income	
		Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings		
Balance as at April 1, 2017	23,65,250	-	-	-	(6,91,108)	(3,84,748)	(10,75,856)
Changes during the year	-	-	-	-	-	-	-
Comprehensive income (Net) for the year	-	-	-	-	-	74,885	74,885
Profit / (Loss) for the year	-	-	-	-	(1,62,510)	-	(1,62,510)
Balance as at 31st March, 2018	23,65,250	-	-	-	(8,53,618)	(3,09,863)	(11,63,481)
Changes during the year	34,750	-	-	-	-	-	-
Comprehensive income (Net) for the year	-	-	-	-	-	(1,75,027)	(1,75,027)
Profit / (Loss) for the year	-	-	-	-	(4,36,665)	-	(4,36,665)
Balance as at 31st March, 2019	24,00,000	-	-	-	(12,90,283)	(4,84,890)	(17,75,173)

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

**Sd/-**  
**SURESH G. KOTHARI**  
Partner  
Membership  
No. 047625  
Place : Mumbai  
Date : 30/05/2019

For and on behalf of the board of Directors

**Sd/-**  
**SUVARNA SHINDE**  
Director

DIN: 08189122

**Sd/-**  
**Machhindranath Patil**  
Director

DIN: 08179234

## **Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2019**

### **1. Corporate information:**

Sobhaygya Mercantile Limited (the Company) is domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. The registered office of the Company is located at 25 & 26, 1<sup>st</sup> Floor, AC Market Building, TARDEO Mumbai – 400 034, India. The company is engaged in the business of sourcing students to Educational Institutions.

### **2. Basis of Preparation of Financial Statements:**

These financial statements of the Company have been prepared in accordance with Ind AS prescribed under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015, the companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 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:

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

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

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

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have

some similarities to fair value, such as net 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 amortized 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 :**

- a) All incomes and expenditure are accounted for on accrual basis unless otherwise stated.
- b) Dividend on shares and securities is recognized when the right to receive the dividend is established.

- c) 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 :**

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

**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.

**Deferred Tax on Comprehensive Income:** Deferred tax arising on account of difference between fair value and cost of Financial Assets 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.

#### **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 31.03.2019. 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.

4	Non-Current Investments	Face	As at March 31, 2019		As at March 31, 2018	
		Value	Quantity	Rs.	Quantity	Rs.
		(Rs.)	Nos.		Nos.	
	<b>Other Investments</b>					
	Investment measured at fair value through other comprehensive income					
	In Equity Shares - Quoted, Fully paid up					
	Arvind Limited (Formerly Arvind Products Ltd.)	10	90	8,172	90	34,623
	Arvind Fashions Ltd. (Issued 1 share for 5 share of Arvind Ltd.)	4	18	18,840		
	Anveshan Heavy Engg Ltd (The Anup Engg. Ltd.) (issued 1 share for 27 shares of Arvind Ltd.)	10	3	1,681		
	Arvind Smartspaces Limited	10	9	1,181	9	1,649
	GSL Securities Limited	10	39,200	65,856	39,200	49,392
	ICICI Bank Limited	2	55	21,937	55	15,312
	Jai Prakash Associates Limited	2	7,500	41,250	7,500	1,42,125
	BPCL (Issued in lieu of 100 shares of Kochi Refinery Ltd.)	10	264	1,04,636	264	1,12,979
	Orkay Industries Limited	10	550	-	550	-
	Steel Authority of India Limited	10	5,000	2,68,500	5,000	3,51,000
	<b>Total Non-Current Investments</b>			<b>5,32,053</b>		<b>7,07,080</b>
4.1	<b>Category-wise Non Current Investment</b>		<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
	Financial Assets measured at cost			-		-
	Financial Assets carried at Amortised cost			-		-
	Financial Assets measured at Fair Value through					
	Other Comprehensive Income			5,32,053		7,07,080
	Financial Assets measured at Fair Value through					
	Profit and Loss			-		-
	<b>Total Non-Current Investments</b>			<b>5,32,053</b>		<b>7,07,080</b>

5	LOANS		As at March 31, 2019		As at March 31, 2018	
	Other Loans and Advances					
	(Unsecured, considered good)			19,71,250		19,71,250
	<b>Total</b>			<b>19,71,250</b>		<b>19,71,250</b>

6	CASH AND CASH EQUIVALENTS		As at March 31, 2019		As at March 31, 2018	
	Cash on Hand			461		2,384
	Balance with Banks :					
	- On Current Accounts			62,412		27,472
	<b>Total</b>			<b>62,873</b>		<b>29,856</b>

7	CURRENT TAX ASSETS (NET)		As at March 31, 2019		As at March 31, 2018	
	At start of the year			81,083		74,776
	Charge for the year			-		-
	Others - Refund Received			(20,000)		(13,693)
	Tax paid during the year			20,000		20,000
	<b>Total</b>			<b>81,083</b>		<b>81,083</b>

8	SHARE CAPITAL		As at March 31, 2019		As at March 31, 2018	
			Quantity	Rs.	Quantity	Rs.
	<b>Authorised share capital</b>					
	Equity Shares of Rs. 10/- each		2,50,000	25,00,000	2,50,000	25,00,000
				<b>25,00,000</b>		<b>25,00,000</b>
	<b>Issued Capital :</b>					
	Equity Shares of Rs. 10/- each		2,40,000	24,00,000	2,40,000	24,00,000
				<b>24,00,000</b>		<b>24,00,000</b>
	<b>Subscribed and fully paid up Capital :</b>					
	Equity Shares of Rs. 10/- each		2,40,000	24,00,000	2,33,050	23,30,500
	<b>Subscribed but not fully paid up Capital :</b>					
	Equity Shares of Rs. 10/- each		-	-	6,950	34,750
	<b>Total</b>			<b>24,00,000</b>		<b>23,65,250</b>
8.1	<b>Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :</b>					
			As at March 31, 2019		As at March 31, 2018	
			No.of	Rs.	No.of	Rs.

			Shares		Shares	
	<b>Shares outstanding at the beginning of the year</b>		2,40,000	24,00,000	2,40,000	23,65,250
	Add: Shares issued during the year		-	-	-	-
	Less: Shares bought back during the year		-	-	-	-
	<b>Shares Outstanding at the end of the year</b>		<b>2,40,000</b>	<b>24,00,000</b>	<b>2,40,000</b>	<b>23,65,250</b>
8.2	<b>Details of Calls unpaid</b>		<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
			<b>No.of</b>	<b>Rs.</b>	<b>No.of</b>	<b>Rs.</b>
			<b>Shares</b>		<b>Shares</b>	
	<b>Equity Shares with voting rights</b>					
	- By Directors		-	-	-	-
	- By Officers		-	-	-	-
	- By Others		-	-	6,950	34,750
	<b>Total Unpaid Calls</b>		<b>-</b>	<b>-</b>	<b>6,950</b>	<b>34,750</b>
8.3	<b>Terms/Rights attached to equity shares:</b>					
	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 2019, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2018 Rs. Nil)					
8.4	<b>Details of Equity shareholders holding more than 5 % shares in the Company</b>					
			<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
			<b>No.of</b>	<b>% of</b>	<b>No.of</b>	<b>% of</b>
			<b>Shares</b>	<b>holding</b>	<b>Shares</b>	<b>holding</b>
			<b>held</b>		<b>held</b>	
	Vinita Bagrodia		72,800	30.33	72,800	30.33
	Mangalam Exim Pvt. Ltd.		48,530	20.22	48,530	20.22
	Kumar Mangalam Bagrodia		33,700	14.04	33,700	14.04
	Sitaram Agarwala		21,550	8.98	21,550	8.98
	<b>Total</b>			<b>73.57</b>		<b>73.57</b>
9	<b>OTHER EQUITIES</b>					
			<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
	<u>Retained Earnings</u>					
	As Per last Balance Sheet		(8,53,618)		(6,91,108)	
	Add / (Less) : Adjustment on account of first time implementation of IND-AS		-		-	

	Add / (Less) : Profit/(Loss) for the year			(4,36,665)		(1,62,510)
	<b>Balance at end of the reporting period</b>			<b>(12,90,283)</b>		<b>(8,53,618)</b>
	Equity instruments through other comprehensive income					
	(FVTOCI Reserve)					
	As Per last Balance Sheet			(3,09,863)		(3,84,748)
	Add / (Less) : Movement in OCI (Net) during the year			(1,75,027)		74,885
	<b>Balance at end of the reporting period</b>			<b>(4,84,890)</b>		<b>(3,09,863)</b>

<b>10</b>	<b>Borrowings- Current</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	
	<b>Unsecured Loans From:-</b>				
	Related Parties (Repayable on demand)		19,85,800		15,75,800
	<b>Total</b>		<b>19,85,800</b>		<b>15,75,800</b>

<b>11</b>	<b>Other Current Liabilities</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	
	Others		28,932		11,700
	<b>Total</b>		<b>28,932</b>		<b>11,700</b>

<b>12</b>	<b>Provisions</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>	
a	Salary payable		7,500		-
b	Profession Tax payable		200		-
	<b>Total</b>		<b>7,700</b>		<b>-</b>

	<b>PARTICULARS</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>13</b>	<b>OTHER INCOME</b>		
a	<u>Dividend Income :</u>		
	From Long Term Investments	-	6,325
b	Interest on Income Tax Refund	1,400	885
c	Commission	4,00,000	4,00,000
	<b>Total</b>	<b>4,01,400</b>	<b>4,07,210</b>
<b>14</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Salaries and wages	1,95,854	37,310
	<b>Total</b>	<b>1,95,854</b>	<b>37,310</b>
<b>15</b>	<b>OTHER EXPENSES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Rates and taxes	2,500	2,500
	Printing and stationery	-	6,270
	Postage & Courier Charges	6,936	1,693

	Conveyance Expenses	-	25
	Legal Press Release Charges	35,160	27,131
	Share Transfer expenses	42,590	41,300
	E-Voting Charges	11,800	5,900
	Legal and professional	1,58,000	1,22,780
	Annual Listing Fees	2,95,000	2,87,500
	ROC Filing Fees	58,800	2,000
	Miscellaneous expenses	20,240	27,600
	Bank Charges	565	351
	<b>Payments to auditors:-</b>		
a	For Statutory Audit	5,900	5,000
b	For Certification	4,720	2,360
	<b>Total</b>	<b>6,42,211</b>	<b>5,32,410</b>

**Note to the Financial Statements for the year ended 31<sup>st</sup> March, 2019**

<b>16.</b>	<b>Contingent Liabilities Not Provided For :-</b>	<b><u>31.03.2019</u></b>	<b><u>31.03.2018</u></b>
	a) Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
	b) Claims against company not acknowledge as debts	NIL	NIL
<b>17.</b>	Foreign Exchange earnings and out-go is Rs. NIL (P.Y. NIL)		
<b>18.</b>	<b>Segment Reporting</b> Segment Reporting as defined in Accounting Standards 17 is not applicable as the company is primarily engaged in Finance Activity.		
<b>19.</b>	Disclosure requirements as per Accounting Standard 18 (AS-18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India. <b>List of Related Parties :</b> <b>Name of the Related Party</b> Mangalam Exim Private Limited Kumaar Bagrodia <b>Nature of Relationship</b> Shareholder Shareholder <b>Companies under the same Management :-</b> i) GSL Securities Limited - Associate Company <b>Key Managerial Personnel :-</b> Independent Director - Mr. Brij Mohan Madangopalji Kabra – Director Mr. Machhindranath Krishna Patil – Director w.e.f 31/07/2018 Mrs. Suvarna Vitthal Shinde - Director w.e.f 31/07/2018 Mr. Kaushal Mehta – Director Up to 31/07/2018 Mrs. Sneha Lata Gupta – Director up to 31/07/2018		



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

Name of the Party	Nature of transaction	31/03/2019	31/03/2018
M/s. Mangalam Exim Pvt. Ltd.	Interest Free Loan Taken	7,60,000	2,82,500
	Interest Free Loan Repaid	3,50,000	1,00,000

**Particulars of Outstanding Balance at the end of the year with Related Parties**

Outstanding balance at the end of the year Rs. 19,85,800. (P. Y. 15,75,800) of any related Party.

**Managerial Remuneration :-**

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

Nature of transaction	31/03/2019	31/03/2018
Salary	NIL	NIL

**Financial Instruments :-**

**21. 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, 2019		
	FVTPL	FVTOCI	Carrying Amount
<b>Financial Assets</b>			
Investments – Non current	-	-1,75,027	5,32,053
Loans – Non Current	-	-	19,71,250
Cash and Cash Equivalents	-	-	62,873
Current Tax Assets (Net)	-	-	81,083
<b>Financial Liabilities</b>			
Borrowings- Current	-	-	19,85,800
Trade payables - Current	-	-	28,932
Provisions	-	-	7,700

Particulars	March 31, 2018		
	FVTPL	FVTOCI	Carrying Amount
<b>Financial Assets</b>			
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
<b>Financial Liabilities</b>			
Borrowings- Current	-	-	15,75,800
Trade payables – Current	-	-	11,700
Provisions	-	-	-

**22. Financial Risk Management Objectives and Policies**

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

**Market risk**

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

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

**Interest rate risk**

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

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

**Foreign currency risk**

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

**Credit risk**

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

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

**Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.

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

**23. Deferred taxes on Income:-**

The company is entitled to create deferred tax asset/ liability in the books of A/cs with respect to timing difference of carried forward business and depreciation losses as well as depreciation. However, in view of carried forward business & depreciation losses there is no reasonable certainty that the asset can be realized. Hence the deferred tax asset is not recognized on the ground of prudence.

**24.** 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.

**25.** 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	31.03.2019	31.03.2018
a) Net Profit / (Loss) attributable to equity shareholders	Rs.	(6,11,692)	(87,625)
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.	(2.55)	(0.37)

**26. Auditors’ Remuneration**

Particulars	31.3.2019	31.3.2018
<b>As Auditor</b>		
Audit Fees	5,900	5,000
Certification	4,720	2,360
<b>Total</b>	<b>10,620</b>	<b>7,360</b>

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

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

As per our report of even date attached

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

Sd/-  
**Suresh G. Kothari**  
Partner  
(M.No.047625)  
Place: Mumbai  
Date: 30/05/2019

For and on behalf of the Board

Sd/-  
**Suvarna Shinde**  
(Director)  
DIN: 08189122

Sd/-  
**Machhindranath Patil**  
(Director)  
DIN: 08179234

**Form No. MGT-11**

**Proxy form**

[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 : **SOBHAYGYA MERCANTILE LIMITED**  
Registered office : **B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press  
Journal Marg Nariman Point Mumbai Mumbai City MH  
400021**

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:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, the 30<sup>th</sup> day of September, 2019 at 11.00 A.M. at Registered Office of the Company at B-61, Floor 6, Plot No 210 B Wing Mittal**

**Tower Free Press Journal Marg Nariman Point Mumbai Mumbai City MH 400021** and at any adjournment thereof in respect of such resolutions as are indicated below:

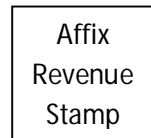
**Resolution No.**

1. Approval of The Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2019;
2. Appointment of M/s. BSVM & Associates, as Statutory Auditors and to fix their remuneration;
3. Appointment of Mr. Shrikant Bhangdiya (DIN 02628216) as Director of the Company;
4. Appointment of Ms. Sonal Bhangdiya (DIN 03416775) as Director of The Company;
5. Appointment of Mr. Devanshu Bansal (DIN : 03387069) as Director of the Company;
6. Increase in Authorized Share Capital of The Company.

Signed this ..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)



Note: 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 hours before the commencement of the Meeting.

-----

## ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the **35<sup>th</sup> Annual General Meeting** of the members of the company to be held on **Monday, the 30<sup>th</sup> day of September, 2019 at 11.00 A.M.** at Registered Office of the Company at **B-61, Floor 6, Plot No 210 B Wing Mittal Tower Free Press Journal Marg Nariman Point Mumbai Mumbai City MH 400021 India** and at any adjourned meeting thereof.

**Shareholders/Proxy's Signature:**\_\_\_\_\_

**Shareholders/Proxy's Full Name:**\_\_\_\_\_   
**(In block letters)**

**Folio No./ Client ID:**\_\_\_\_\_

**No. of shares held:**\_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

## BALLOT PAPER

*[Pursuant to section 110 of the Companies Act, 2013 and rule 22 of the Companies (Management and Administration) Rules, 2014]*

Name of the Company: **SOBHAYGYA MERCANTILE LIMITED**  
Registered office: **B-61, Floor 6, Plot No 210 B Wing Mittal Tower, Free Press Journal Marg Nariman Point, Mumbai, Mumbai City, 400021**

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder <b>(In block letters)</b>	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	<b>Equity</b>

I hereby exercise my vote in respect of Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Approval of The Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2019,			
2.	Appointment of M/s. BSVM & Associates, as Statutory Auditors and to fix their remuneration.			
3.	Appointment of Mr. Shrikant Bhangdiya (DIN 02628216) as Director of the Company			
4.	Appointment of Ms. Sonal Kirtikumar Bhangdiya (DIN 03416775) as Director of The Company			

5.	Appointment of Ms. Sonal Kirtikumar Bhangdiya (DIN 03416775) as Director of The Company			
6.	Increase In Authorized Share Capital of The Company			

Place:

Date:

(Signature of the Shareholder)



# ROUTE MAP OF PLACE OF MEETING

