



Annual Report 2024-25

CONTENTS

01-11 CORPORATE OVERVIEW

- 01 Corporate Overview
- 04 Our Segments
- 07 Performance Highlights
- 11 Governance

11-85 STATUTORY REPORTS

- 11 Notice
- 26 Directors’ Report
- 49 Report on Corporate Governance
- 67 Management Discussion & Analysis Report

86-130 FINANCIAL STATEMENTS

- 86 Standalone
Financial Statements

KEY FY 2024-25 HIGHLIGHTS

FINANCIAL SUMMARY/HIGHLIGHTS

The highlights of the standalone performance of the Company during the fiscal are given hereunder:

₹15,728.42 lakhs
Revenue

₹2,384.12 lakhs
PBT

₹1,553.08 lakhs
PAT

Forward Looking Statement

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes,' 'estimates,' 'anticipates,' 'expects,' 'intends,' 'may,' 'will,' 'plans,' 'outlook,' and other words of similar meaning in connection with a discussion of future operational or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

ABOUT SML

CORPORATE INFORMATION

Founded in 1983, Sobhagya Mercantile Ltd (SML) has evolved from a single-focus infrastructure player into a diversified enterprise with a strong presence across critical sectors that drive India's economic growth. Over the years, the Company has consistently demonstrated resilience, adaptability, and foresight, building a portfolio that spans infrastructure construction, engineering consultancy, mining, equipment leasing, and steel manufacturing. This diversification reflects our long-term vision of becoming a leading conglomerate in infrastructure and industrial development, while also enabling us to create sustainable value for all stakeholders.

SML's commitment to innovation and excellence has been integral to its success. By leveraging cutting-edge technology and fostering a culture of continuous improvement, the company has been able to deliver high-quality projects that meet the evolving needs of its clients. Our strategic partnerships and collaborations with global leaders further enhance our capabilities, ensuring that we remain at the forefront of industry trends and advancements.



VISION

To be a leading business conglomerate serving core sectors of the economy and creating value for employees, stakeholders, and society through a commitment to quality and exceptional capabilities



MISSION

- To play an enabling role in India's growth story by providing world-class infrastructure solutions.
- To be reputed for excellence in quality, service, and customer care.
- To exceed expectations and earn the trust and loyalty of customers, partners, investors, and other stakeholders.



BUSINESS UNITS

Business Solutions :

DIVERSE OFFERINGS SOWING SEEDS OF TRANSFORMATION

Operating in the large-scale infrastructure sector, we offer a wide range of customer-centric solutions, meant to serve the core economic sectors for fuelling India’s growth story.

-  Infrastructure Construction
-  Infrastructure Engineering
-  Mining
-  Equipment Leasing
-  Steel Manufacturing

STEEL MANUFACTURING

Adding further depth to our business portfolio is our foray into Steel Manufacturing. We are in the process of establishing an integrated steel plant at Gadchiroli, Maharashtra, which will produce high-quality construction-grade steel. This forward integration is expected to significantly enhance our value chain, improve cost efficiencies, and reduce reliance on external procurement. With India witnessing rising steel demand across infrastructure, expressways, logistics, and renewable energy corridors, this segment will not only provide us with an edge in terms of margins but also position us as a fully integrated infrastructure player with control over both inputs and outputs.



INFRASTRUCTURE CONSTRUCTION

Infrastructure Construction continues to form the backbone of our operations and is the largest contributor to revenues. We have built an enviable reputation for delivering complex civil engineering projects, particularly in the field of roads and highways. Our expertise in executing large-scale contracts, coupled with a skilled workforce and modern fleet of machinery, allows us to complete projects within tight schedules and demanding specifications. By focusing on roads, highways, and related civil works under both EPC and Hybrid Annuity Models, we directly contribute to building India’s connectivity and accelerating regional development.

INFRASTRUCTURE ENGINEERING

Complementing this is our Infrastructure Engineering division, which enhances the value chain by offering end-to-end consultancy and project management services. From conceptual design and detailed project reports (DPRs) to construction supervision and project management consultancy (PMC), our team of professionals ensures seamless execution across the project lifecycle. This segment positions us not only as a contractor but also as a trusted advisor, capable of shaping smart, sustainable, and future-ready infrastructure for the nation.

MINING

Our Mining Operations represent a critical part of our backward integration strategy and serve as an essential support pillar for infrastructure and energy industries. By expanding into both coal and aggregate mining, we ensure a steady supply of vital raw materials that power roads, bridges, and energy corridors. The allocation of the Marki Mangli-IV coal block has been a significant milestone, giving us long-term security of resources and aligning with India’s mission of energy self-reliance. Meanwhile, aggregate mining activities are being scaled up to meet the rising demand from the construction and energy sectors. This vertical not only reduces dependence on external suppliers but also strengthens our operational efficiency and long-term sustainability.

EQUIPMENT LEASING

The Equipment Leasing segment reflects our forward-looking strategy to bridge the infrastructure sector’s growing demand for high-value, technologically advanced machinery. By providing contractors and developers access to modern construction and mining equipment without large upfront investments, we not only support project efficiency but also generate stable, recurring revenues for the Company. This segment has strong potential to grow further, given the government’s massive push on roads, highways, and smart city projects, which demand timely and reliable access to specialized equipment.

Engineering Segment –

9,908.24 Lakhs

Material Production & Supply Segment -

5,820.18 Lakhs

Revenue from Operations –

15,728.42 Lakhs

CORE VALUES

Positive Attitude:

Approaching challenges with optimism and a solution-oriented mindset.

Integrity:

Adhering to the highest ethical standards and acting with honesty and transparency.

Respect:

Valuing diversity, treating everyone with dignity, and fostering harmonious relationships.

Delivering on Promise:

Fulfilling our commitments to clients, partners, and employees with reliability and consistency.

Excellence:

Pursuing perfection in all endeavors, striving for continuous improvement

GROWTH STRATEGIES



Market Penetration:

Increase market share in existing segments (construction, mining, equipment leasing) through aggressive bidding, value-added services, and customer retention.

Expand geographic reach within India to capture untapped opportunities.



Product/Service Expansion:

Diversify product offerings within the steel manufacturing segment (value-added steel products, steel components).

Explore new service lines related to infrastructure development (project management, consultancy).



Market Development:

Identify new market segments within the infrastructure sector (e.g., renewable energy, smart cities).



STRENGTHS OF BUSINESS

Strong Infrastructure Expertise:

Deep-rooted experience in construction, engineering, and project management.

Diverse Portfolio:

A wide range of services including infrastructure, mining, equipment leasing, and steel manufacturing.

Financial Stability:

A sound financial position with a proven track record of profitability.

Customer Focus:

A strong commitment to understanding and meeting customer needs.

Geographical Reach:

Presence in key markets with opportunities for expansion.

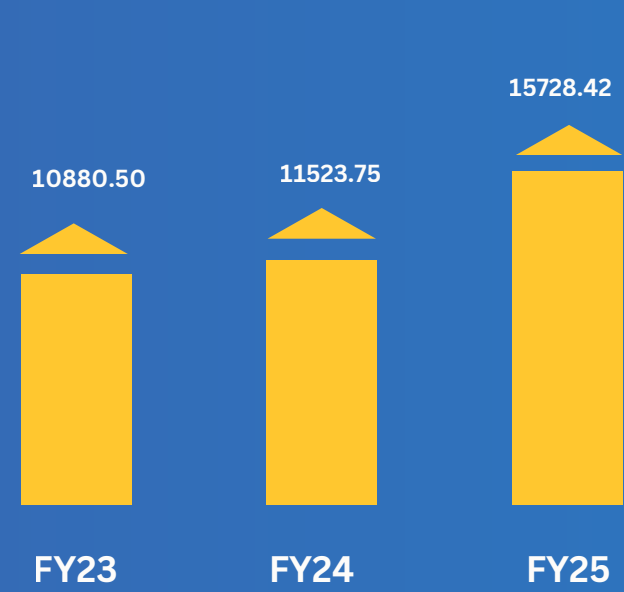
Experienced Leadership:

A skilled management team with a proven ability to drive growth.

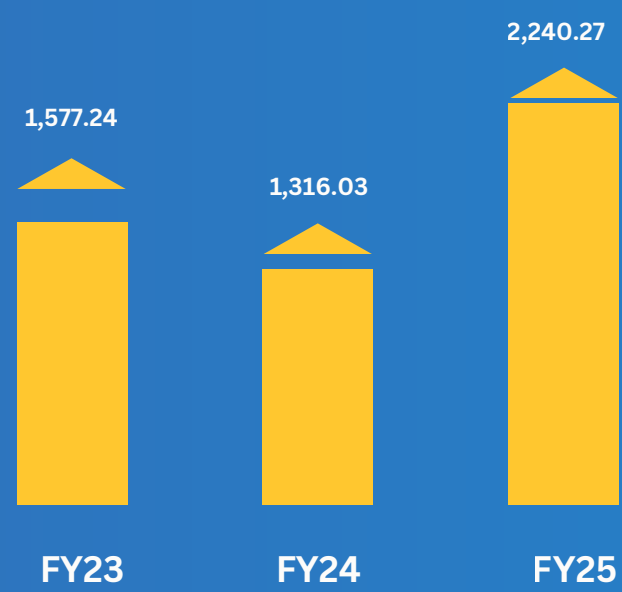


PERFORMANCE HIGHLIGHTS

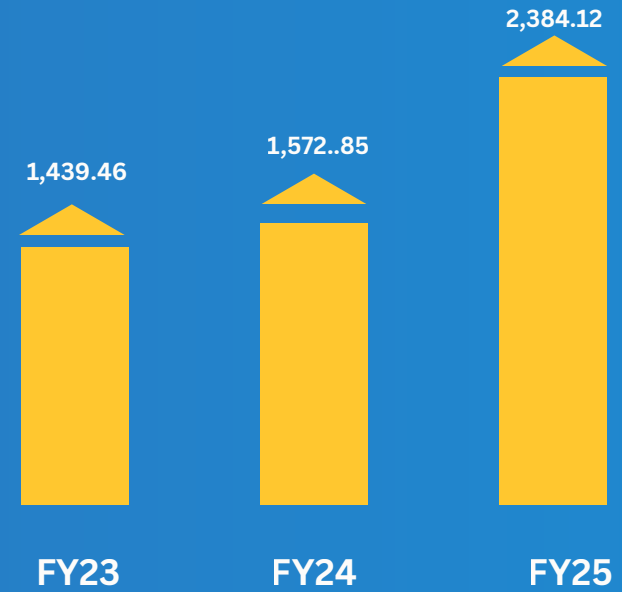
Revenue From Operations



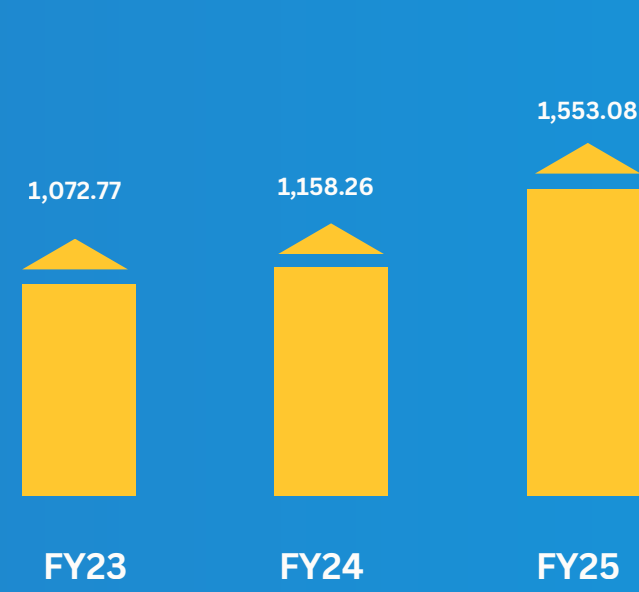
EBITDA



Profit Before Tax



Profit After Tax





Managing Director's Letter

Dear Shareholders,

It is my pleasure to present to you our Annual Report for Financial Year 2024-25 and reflect on our performance for the year. Diversification-led progressive growth represents our strategic evolution for expanding horizons, embracing innovation, and pursuing sustainable growth.

We believe our endeavours will serve as the catalyst for driving accelerated growth in the ever-evolving infrastructure landscape.

Global GDP growth was recorded at 3.3%, below its long-term average, with persistent inflationary pressures, divergent monetary policies, and elevated geopolitical tensions. While growth in several advanced economies remained subdued, India continued to demonstrate resilience, achieving GDP growth of 6.2%, driven by strong domestic demand, capital expenditure, and robust manufacturing activity.

The Union Budget 2025-26 reaffirmed the government's commitment to infrastructure-led growth, with a capital investment outlay of ₹11.21 lakh crore, accounting for 3.1% of GDP. This focus on infrastructure is expected to catalyse economic activity, spur private sector participation, and create employment opportunities, areas directly aligned with our strategic priorities.

Operationally, we successfully executed key infrastructure projects, including NAG 182, NAG 167, and NAG 176 in Chandrapur District, Maharashtra, enhancing connectivity and supporting regional growth. Our mining segment moved closer to commencing operations at the Marki Mangli-IV coal block, further strengthening our energy-linked portfolio. In equipment leasing, our fleet of globally compliant construction and mining machinery continued to meet diverse project requirements, enabling clients to optimise capital deployment.

Our material production segment consistently supplied high-quality aggregates for infrastructure projects, reinforcing our reputation for reliability and quality.

Our financial performance in FY 2024-25 was robust. Revenue from Operations increased by 36.49% to ₹15,728.42 lakhs from ₹11,523.75 lakhs in the previous year. EBITDA grew by 70.23% to ₹2,240.27 lakhs, and Profit After Tax rose by 34.09% to ₹1,553.08 lakhs. These results underscore our operational discipline, cost management, and ability to capture market opportunities despite commodity price volatility and regulatory complexities.

Looking ahead, we will focus on scaling our steel manufacturing capabilities, deepening our presence in infrastructure and mining, and leveraging technology to improve efficiency and execution timelines. With India's infrastructure and steel sectors poised for sustained growth, we are confident that our strategic initiatives will serve as a catalyst for accelerated value creation.

Finally, I extend my sincere gratitude to our employees for their dedication, our customers and suppliers for their trust, and our shareholders for their unwavering support. Together, we will continue to strengthen Sobhagya Mercantile's position as a diversified leader in infrastructure and allied industries.

Warm Regards,

Shrikant Mitesh Bhangdiya

Managing Director



Mr. Shrikant Mitesh Bhangdiya
Managing Director

Mr. Shrikant Mitesh Bhangdiya, holds a Bachelor's degree in Civil Engineering from Shri Ramdev Baba Kamla Nehru Engineering College, Nagpur University and has done M.S. in Management from London School of Business. He possesses extensive commercial and managerial expertise, with over a decade of experience.



Mrs. Sonal Kirtikumar Bhangdiya
Director

Mrs. Sonal Kirtikumar Bhangdiya is a Commerce Graduate and comes from a family of industrialists and has a rich experience over 10 years in business.

OUR MANAGEMENT



Mr. Prashantkumar Lahoti
Independent Director

Mr. Prashantkumar Lahoti holds Master's Diploma in Business Administration from Institute of Management Development & Research, Poona. He is a professional with good experience in Art, Culture, Hospitality and also managing skills and handling team.



Mr. Rupesh Malpani
Independent Director

Mr. Rupesh Malpani is a commerce graduate from Mumbai University. In addition, he holds a Diploma in Tax Management from Mumbai. He is a member of the Goods and Services Tax Practitioners Association of Maharashtra. He has been practicing and has experience for more than 25 years.



BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Shrikant Mitesh Bhangdiya	Managing Director	DIN: 02628216
Mrs. Sonal Kirtikumar Bhangdiya	Non-Executive Non-Independent Director	DIN: 03416775
Mr. Prashantkumar Lahoti	Non-Executive Independent Director	DIN: 00091140
Mr. Rupesh Malpani	Non-Executive Independent Director	DIN:08471166
Mr. Anil Khawale	Chief Financial Officer ('CFO')	PAN: AESPK9850L
Mrs. Shalinee Singh	Company Secretary and Compliance Officer	PAN: CFOPS2367P

REGISTERED OFFICE:

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

CIN: L45100MH1983PLC031671

STATUTORY AUDITORS:

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

CORPORATE OFFICE ADDRESS:

526, 1st Floor, Bhangdiya House, Near
Getwell Hospital, Dhantoli, Nagpur-440012,
Maharashtra, India

INTERNAL AUDITORS:

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

SECRETARIAL AUDITOR:

PDTS & Associates, Company Secretaries
(Firm Registration No.: P2025MH104400) through its
Partner CS Parag Dasarwar
Plot Q 22, Flat No.402, Laxmivasudev Apartment,
Laxminagar, Nagpur – 440022, Maharashtra, India

REGISTRAR & SHARE TRANSFER AGENTS:

M/s. Purva Sharegistry (I) Private Limited
9 Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Near Lodha Excelus
Lower Parel (E), Mumbai, 400011
Phone Number: 022-49614132 / 31998810
Website: www.purvashare.com
Email- support@purvashare.com

LISTED AT:

Bombay Stock Exchange Limited

WEBSITE:

www.sobhagyalttd.com

BANKERS:

Bank of Maharashtra, Dharampet
Branch, Nagpur

ANNUAL GENERAL MEETING:

41st Annual General Meeting
Date: Monday, 29th September, 2025
Time: 11:00 a.m. (IST) through Video
Conferencing ('VC')/ Other Audio – Visual
Means ('OAVM')

E-VOTING PERIOD :

Commences on: Friday, 26th September,
2025 at 10:00 a.m. (IST)
Closes on: Sunday, 28th September, 2025
at 05:00 p.m. (IST)

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

INE754D01018

INVESTOR E-MAIL ID:

sobhagyamercantile9@gmail.com

NOTICE

Notice is hereby given that the 41st Annual General Meeting (AGM') of the Members of M/s. Sobhagya Mercantile Limited (the Company') will be held on **Monday, the 29th day of September, 2025 at 11.00 A.M. (IST)** through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025, together with the Reports of the Board of Directors' and Auditors' thereon.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

2. To appoint a director in place of Mrs. Sonal Kirtikumar Bhangdiya (DIN: 03416775), who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Sonal Kirtikumar Bhangdiya (DIN: 03416775), who retires by rotation at this Annual General Meeting and, being eligible, offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. Re-appointment of M/s Joshi & Shah, Chartered Accountants, Mumbai, as Statutory Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee and the Board of Directors, **M/s Joshi & Shah, Chartered Accountants (Firm Registration No. 144627W), Mumbai**, be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five consecutive years, to hold office from the conclusion of this 41st Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company at such remuneration and other terms as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

RESOLVED FURTHER THAT The Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things including filings and take all such steps as may be deemed proper, necessary, and /or expedient, in connection therewith or incidental thereto, to give effect to this resolution."

Special Business :

4. Re-appointment of Mr. Shrikant Mitesh Bhangdiya (DIN-02628216) as Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 , 203 , Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and pursuant to the recommendation and approval respectively of the Nomination and Remuneration Committee and the Board of Directors of the Company (‘the Board’) and subject to all other sanctions, approvals and permissions as may be required, consent of the members of the Company be and is hereby accorded for the re-appointment of **Mr. Shrikant Mitesh Bhangdiya (DIN-02628216)**, as Managing Director of the Company for a further term of five consecutive years with effect from 05th December, 2025 to 04th December, 2030 (both days inclusive) , on terms and conditions of appointment and remuneration as set out in the Explanatory Statement annexed hereto, which shall be deemed to form part hereof, with liberty to the Board to vary the terms and conditions of the said appointment including remuneration, as may be mutually agreed with Mr. Shrikant Mitesh Bhangdiya from time to time, without being required to seek further approval of the members of the Company or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions of re-appointment/ remuneration or any other perquisites payable in such a manner as may be permitted in accordance with the provisions of the Act and other applicable laws and any amendment thereto or re-enactment thereof;

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

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to execute all necessary documents, applications, returns and writings as may be necessary, proper or expedient”.

5. Appointment of M/s PDTS & Associates, Company Secretaries as Secretarial Auditors of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendations of the Audit Committee and the Board of Directors of the Company, M/s PDTS & Associates, Company Secretaries having firm Registration No. P2025MH104400, Nagpur, be and are hereby appointed as the Secretarial Auditors of the Company for a term of five consecutive years commencing from the financial year 2025-26 to the financial year 2029-30 at such remuneration and other terms as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT The Board of Directors of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things including filings and take all such steps as may be deemed proper, necessary, and /or expedient, in connection therewith or incidental thereto, to give effect to this resolution.”

By order of the Board of Directors of

Sobhagya Mercantile Limited

Sd/-

Shrikant Bhangdiya

Managing Director

(DIN: 02628216)

Place: Nagpur

Date: 14th August, 2025

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, as amended ('the Act'), setting out the material facts concerning the business with respect to Item No. 3, 4 and 5 forms part of this Notice. Further, relevant information pursuant to Regulation 36 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations') and disclosure requirements in terms of Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this Annual General Meeting ('AGM') and disclosure requirements under Schedule V of the Act is furnished as Annexure to this Notice.

2. The Ministry of Corporate Affairs ('MCA'), inter alia, vide its General Circular No(s). 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2024 dated 19th September, 2024 (collectively referred to as 'MCA Circulars'), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

Further, the Securities and Exchange Board of India ('SEBI'), vide its Circular(s) dated 12th May, 2020, 15th January, 2021, 13th May, 2022, 5th January, 2023, 6th October, 2023, 7th October, 2023 and 3rd October, 2024 ('SEBI Circulars') and other applicable circulars issued in this regard from time to time, has provided relaxations from compliance with certain provisions of the Listing Regulations.

In compliance with the applicable provisions of the Act, Listing Regulations, MCA Circulars and SEBI Circulars, the 41st AGM of the Company is being held through VC/OAVM on **Monday, 29th September, 2025 at 11:00 a.m. (IST)**. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company.

3. Since the AGM is being held pursuant to the MCA Circulars read with applicable SEBI Circulars through VC/OAVM without physical attendance of members, **the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings ('SS-2') issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars read with applicable SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sobhagyaltd.com. The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com.

8. In compliance with the MCA Circulars and the applicable SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2024-25 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / the Registrar and Share Transfer Agent (RTA) of the Company / Depositories / their respective Depository Participant(s) and a letter will be sent by the Company providing the web-link, including the exact path where complete details of the Annual Report including the Notice of the AGM for F.Y. 2024-25 is available, to those shareholder(s) who have not registered their e-mail address with the Company/the Registrar and Share Transfer Agent(RTA)/ Depositories/Depository Participants. The Company shall send physical copy of the Annual Report for FY2024-25 to those Members who request for the same at sobhagyamercantile9@gamil.com or raises request with the RTA - M/s. Purva Shareregistry (I) Private Limited at support@purvashare.com mentioning their Folio No./DP ID and Client ID. Members may note that the Notice and the Annual Report for the financial year 2024-25 are available on the website of the Company at www.sobhagyaltd.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and also on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.

9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time.

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

11. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 23rd September, 2025 to Monday, 29th September, 2025 (both days inclusive)**.

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

13. The Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company's at sobhagyamercantile9@gmail.com or to Registrar and Share Transfer Agent, M/s. Purva Shareregistry (I) Private Limited at support@purvashare.com. Members are requested to submit request letter mentioning the Folio No., name and address of the Member along with the scanned copy of the Share Certificate (front and back) and self-attested copy of PAN and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member card for updation of email address.

14. Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative for the purpose of voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to team@pds.co.in with a copy marked to sobhagyamercantile9@gmail.com

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

16. 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 (M/s. Purva Shareregistry (I) Private Limited).

17. 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's Registrar and Share Transfer Agents (M/s. Purva Shareregistry (I) Private Limited).

18. 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 doing the needful.

19. The Members who would like to express their views/have questions may send their questions in advance at least 10 days before the AGM mentioning their name, demat account number/folio number, email id, mobile number at sobhagyamercantile9@gmail.com. The same will be replied by the Company suitably.

20. 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.

21. 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.

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

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

23. The Board of Directors of the Company has appointed M/s PDTS & Associates, Company Secretaries (Firm Registration No. P2025MH104400), as a Scrutinizer ('Scrutinizer') to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer, after scrutinizing e-voting at the AGM and remote e-voting, will, not later than two working days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or any person/ director authorized by him. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company at www.sobhagyaltld.com. The results shall simultaneously be communicated to the Stock Exchange.

24. All the relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company will be available for inspection through electronic mode by the members on the date of AGM. Members who seek to inspect such documents can send an email to sobhagyamercantile9@gmail.com by mentioning name and Folio number/DP ID and Client ID

25. In accordance with Regulation 40 of the Listing Regulations, as amended, any fresh transfer requests for securities shall be processed in demat/electronic form only. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/electronic form to get inherent benefits of dematerialization.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 26th September, 2025 at 10:00 A.M. (IST) and ends on Sunday, 28th September, 2025 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 22nd September, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 22nd September, 2025.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful

	authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Your User ID is:

Physical

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. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
- i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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 **team@pdts.co.in** with a copy marked to **evoting@nsdl.com**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sobhagyamercantile9@gmail.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to sobhagyamercantile9@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company’s registered email id i.e. sobhagyamercantile9@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company’s registered email id i.e. sobhagyamercantile9@gmail.com. These queries will be replied by the Company suitably.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement pursuant to Section 102(1) of the Companies Act 2013, sets out all material facts relating to items of business mentioned in the accompanying notice of the AGM.

Item No. 3:

Pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder and applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the current Statutory Auditors of the Company, M/s Joshi & Shah, Chartered Accountants (Firm Registration No. 144627W), Mumbai, will complete their first term as Statutory Auditors at the conclusion of the ensuing Annual General Meeting in 2025.

The Board of Directors of the Company, at their meeting held on 14th August, 2025, considering their expertise and experience and based on the recommendation of the Audit Committee, have approved and recommended the re-appointment of M/s Joshi & Shah, Chartered Accountants (Firm Registration No. 144627W), Mumbai, as Statutory Auditors of the Company for a second term of the consecutive years, to hold office from the conclusion of this 41st Annual General Meeting till the conclusion of the 46th Annual General Meeting of the Company subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

M/s Joshi & Shah, a peer reviewed firm is the team of young, passionate and energetic professionals for rendering high quality professional services. With the combination of experience and young team, they offer most cost-effective and high-technology services and facilities to their clients. The Professional Team is engaged in the activities in the line of Corporate Law, Secretarial Compliances, Tax Matter, audit and accountancy covering a wide range of sub activities related to the profession.

The proposed fees to be paid to M/s Joshi & Shah, Statutory Auditors is Rs. 2,80,000/- annually, plus applicable taxes and other out-of-pocket expenses for the financial year 2025-26, with authority to the Board to make such revisions during the tenure of appointment as may be appropriate in consultation with the Audit Committee and Statutory Auditors.

Pursuant to Section 139 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, the Company has received written confirmation from M/s Joshi & Shah and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s Joshi & Shah, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 3 of this Notice for re-appointment of Statutory Auditors and to fix their remuneration.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 3 of the Notice of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 3 of this Notice for the approval by the Members.

Item No. 4:

Mr. Shrikant Bhangdiya (DIN: 02628216) was appointed as the Managing Director of the Company with effect from 05th December, 2020 for a period of 5 years on the remuneration and terms and conditions approved by the Members of the Company at the 36th Annual General Meeting held on 30th December, 2020. Accordingly, his term as a Managing Director will be expired on 04th December, 2025.

The Board of Directors, at their meeting held on 14th August, 2025, based on the recommendation of the Nomination and Remuneration Committee, approved, the re-appointment of Mr. Shrikant Mitesh Bhangdiya (DIN-02628216) as Managing Director of the Company for a further term of five consecutive years with effect from 05th December, 2025 to 04th December, 2030 (both days inclusive) upon the terms and conditions, including as to remuneration as mentioned herein below subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

Mr. Shrikant Mitesh Bhangdiya, holds a Bachelor's degree in Civil Engineering from Shri Ramdev Baba Kamla Nehru Engineering College, Nagpur University and has done M.S. in Management from London School of Business. He possesses extensive commercial and managerial expertise, with over a decade of experience across various business sectors including infrastructure, publishing, and manufacturing etc. He is currently entrusted with overseeing the commercial and financial operations of the Company.

Mr. Shrikant Mitesh Bhangdiya satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is neither disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of a Director by virtue of any order of SEBI or any other such Authority.

Proposed Remuneration: The terms and conditions relating to the re-appointment including remuneration of Mr. Shrikant Mitesh Bhangdiya as a Managing Director are as follows:

- a) Salary: ₹ 5,00,000 /- (Rupees Five Lakhs only) per month
- b) Dearness Allowance: NIL
- c) Bonus: NIL
- d) Gratuity: Gratuity as per rules of the Company
- e) Provident Fund: Company's contribution to provident fund to the extent the same is not taxable under the Income Tax Act, 1961;
- f) Benefits, Perquisites and Allowances:
 - i) Provision of a Car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed to him, if he is not provided with Company's driver.
 - ii) Free use of Company's mobile phone and telephone at his residence
 - iii) Reimbursement of medical expenses incurred for himself and family subject to ceiling of one month's salary in a year or three month's salary over a period of 5 years;
 - iv) Actual leave travel expenses, as per the rules of the Company, excluding hotel and food charges once in a year to any place in India to himself and his family.

The terms and conditions of the re-appointment including the remuneration of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated

under Schedule V to the Act or any amendments made hereafter in this regards, in such manner as may be agreed between the Board and the Managing Director, subject to the approvals as may be required.

Minimum Remuneration: In the event of no profits or inadequacy of profits in any financial year, as contemplated under Section 197 and all other applicable provisions read with Schedule V of the Act, during the currency of tenure of service of Mr. Shrikant Mitesh Bhangdiya as the Managing Director, the remuneration as detailed above or such other remuneration as may be mutually agreed in the manner set out above, shall be paid as minimum remuneration for a period not exceeding five (5) years or such other period as may be statutorily permitted.

In the event of any further relaxation by the Central Government in the guidelines or ceilings on managerial remuneration, the Board of Directors will be authorized to revise the remuneration and / or perquisites to Mr. Shrikant Mitesh Bhangdiya, Managing Director, if they, in their absolute discretion think fit, within such guidelines or ceilings and in accordance with the provisions of the Companies Act, 2013.

Notice of Termination: The employment may be terminated by either party by giving to the other party 90 days' notice in accordance with the employment agreement executed with Mr. Shrikant Mitesh Bhangdiya, as amended or updated from time to time.

In the event, Mr. Shrikant Mitesh Bhangdiya ceases to be a Managing Director of the Company, he will also ipso facto cease to be a Director of the Company.

Further, the Company has received a notice from a Member under Section 160 of the Act proposing the re-appointment of Mr. Shrikant Mitesh Bhangdiya as the Managing Director of the Company.

In accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013, members' approval by way of Special Resolution is sought for the payment of remuneration in excess of the limits prescribed under the said Section read with the said schedule, in case of inadequate profits in any financial year during this term of 5 years.

The Board is of the view that Mr. Shrikant Mitesh Bhangdiya's knowledge and experience will be of immense benefit and value to the Company. Mr. Shrikant Mitesh Bhangdiya possesses the core skills/ expertise/competencies identified in the Company's business and sectors for it to function effectively. Details of the skills possessed by him form part of the Corporate Governance Report.

The disclosures as required under Schedule V of the Act, Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, are furnished and forms a part of this AGM Notice.

Mr. Shrikant Mitesh Bhangdiya is related to Mrs. Sonal Kirtikumar Bhangdiya, Director of the Company. He is not related to any other directors/Key Managerial Personnel of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 4 of this Notice for re-appointment including the remuneration of Mr. Shrikant Mitesh Bhangdiya as a Managing Director of the Company.

Save and except Mr. Shrikant Mitesh Bhangdiya and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ('KMP') of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution set out at Item No. 4 of the Notice.

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

Item No. 5:

Pursuant to the recent amendment to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), which shall come into effect from 1st April 2025, the appointment of Secretarial Auditor(s) is now required to be approved by the Shareholders at the Annual General Meeting of the Company.

M/s PDTS & Associates (firm Registration No. P2025MH104400), is a team of seasoned Company Secretaries with over 16 years of experience, specializing in Secretarial Audit services. They provide comprehensive audit services ensuring compliance with applicable laws and regulations. Their expertise extends to expert corporate governance, compliance, and secretarial services, catering to diverse business needs.

M/s PDTS & Associates has given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits specified by the Institute of Company Secretaries of India. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and the Listing Regulations.

The Board of Directors of the Company, at their meeting held on 16th May, 2025, based on the recommendation of the Audit Committee and after considering the experience, expertise, efficiency and independence of M/s PDTS & Associates, have approved and recommended the appointment of M/s PDTS & Associates, Company Secretaries having firm Registration No. P2025MH104400, Peer Reviewed Firm of Company Secretaries in Practice, Nagpur, as the Secretarial Auditors of the Company for a term of five consecutive years commencing from the financial Year 2025-26 to the financial Year 2029-30 on the following terms and conditions:

- a. Term of appointment: for a term of five consecutive years commencing from the financial Year 2025-26 to the financial Year 2029-30
- b. Proposed remuneration: The proposed remuneration in connection with the secretarial audit will be Rs. 1,50,000 /- (Rupees One Lakh Fifty-thousand only) plus applicable taxes and other out-of-pocket expenses for FY 2026, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and PDTS & Associates.

The proposed fees are based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.



Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 5 of this Notice for appointment of Secretarial Auditors and to fix their remuneration.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 5 of the Notice of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 5 of this Notice for the approval by the Members.

By order of the Board of Directors of

Sobhagya Mercantile Limited

Sd/-

Shrikant Bhangdiya

Managing Director

(DIN: 02628216)

Place: Nagpur

Date: 14th August, 2025

Annexure to the Notice

Details of the Directors seeking appointment/re-appointment, in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are as follows:

i)

Name of the Director	Mrs. Sonal Kirtikumar Bhangdiya
DIN	03416775
Date of Birth and Age	08/12/1981, 44 years
Nationality	Indian
Date of First Appointment on Board	09/08/2019
Qualification	B. Com
Expertise in specific functional areas	She is a Commerce Graduate and comes from a family of industrialists and has a rich experience over 10 years in business.
Experience	
Directorships held in other companies as on the date of the Notice	1.MKS Oterri Private Limited 2.Highstone Commercials Private Limited
Chairmanship / Membership of committees of the Board of other companies in which she is a director	None
Board position held	Non-Executive-Non-Independent Director
Terms and conditions of appointment/re-appointment	Proposed to be re-appointed as a Non-Executive Non-Independent Director liable to retire by rotation
Number of shares held in the Company as on the date of the Notice	10,99,569
Number of Board Meetings attended during the financial year 2024-25	9 of 9 (Nine of Nine)
Remuneration last drawn	12 lakhs
Listed entities from which the Director has resigned in the past three years	None
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Sister-in-law of Mr. Shrikant Mitesh Bhangdiya

ii)

Name of the Director	Mr. Shrikant Mitesh Bhangdiya
DIN	02628216
Date of Birth and Age	14/04/1984, 41 years
Nationality	Indian
Date of First Appointment on Board	09/08/2019
Qualification	Bachelor's degree in Civil Engineering from Shri Ramdev Baba Kamla Nehru Engineering College, Nagpur University and M.S. in

	Management from London School of Business.
Expertise in specific functional areas	As mentioned in Item no. 4 of the explanatory statement of this Notice
Experience	
Directorships held in other companies as on the date of the Notice	1. Starward Habitators Private Limited 2. Jayant Fibre Containers Private Limited 3. MKS Flexituff Limited 4. MKS Acme-Build Private Limited 5. MKS Oterri Private Limited 6. Nag Ham 183 Highway Private Limited 7. Nag Ham 182 Highway Private Limited 8. Highstone Commercials Private Limited 9. Siraj MKS Business Ventures Private Limited 10. MKS Enviro Private Limited 11. Bhangdiya Foundation 12. Shankarpur Chimur Highway Private Limited 13. Chimur Petgaon Highway Private Limited 14. Aarc Real Estate Developers Private Limited 15. MKS Constro-Venture Private Limited 16. Sakshi Gruh Nirman Private Limited 17. Mitcon Infraproject Private Limited 18. MKS Industries Limited 19. Lokshahi Publications Private Limited
Chairmanship / Membership of committees of the Board of other companies in which he is a director	None
Board position held	Managing Director
Terms and conditions of appointment/re-appointment	As mentioned in Item no. 4 of the Notice and explanatory statement for the Item No.4 of the Notice.
Number of shares held in the Company as on the date of the Notice	1901643
Number of Board Meetings attended during the financial year 2024-25	9 of 9 (Nine of Nine)
Remuneration last drawn	60 Lakhs
Remuneration proposed to be paid	As mentioned in Item no. 4 of the explanatory statement of this Notice
Listed entities from which the Director has resigned in the past three years	None

Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother-in-law of Mrs. Sonal Kirtikumar Bhangdiya
--	---

**Statement containing additional information as required under schedule V of the Companies Act, 2013(as amended)
(for Item No. 4)**

Relevant to Mr. Shrikant Mitesh Bhangdiya (DIN: 02628216), Managing Director of the Company.

I. General information

1. Nature of Industry: Infrastructure Construction Industry and Quarrying and Mining Industry
2. Date or expected date of commencement of commercial production.: The Company was incorporated on 27th December, 1983 and commenced commercial production on 21st January, 1984
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.: Not Applicable
4. Financial performance based on given indicators.

(₹ in Lakhs)		
Particulars	F.Y.2024-25	F.Y.2023-24
Total Income	16,040.72	12,010.61
Less: Total Expenditure	13,656.60	10,437.77
Profit/(Loss) before tax	2,384.12	1,572.85
Less: Tax Expenses	831.04	414.59
Profit/(Loss) after tax	1,553.08	1,158.26
Add: Other comprehensive Income, net of income tax	5.04	3.36
Profit/Loss and other comprehensive income during the year	1,558.12	1,161.63

5. Foreign Investments or collaborations, if any: Not Applicable

II. Information about the appointee:

(a) Mr. Shrikant Mitesh Bhangdiya

Background details	Mr. Shrikant Mitesh Bhangdiya is the Managing Director of the Company, currently he is entrusted with overseeing the Commercial, financial and overall operations of the Company.
Past Remuneration	The total remuneration paid for the year 2024-25 is Rs. 60,00,000/- per annum
Recognition or awards	NIL
Job Profile and his suitability	Mr. Shrikant Mitesh Bhangdiya holds a Bachelor's degree in Civil Engineering from Shri Ramdev Baba Kamla Nehru Engineering College, Nagpur University and has done M.S. in Management from London School of Business. He possesses extensive commercial and managerial expertise, with over a decade of experience across various business sectors including infrastructure, publishing, and manufacturing etc. He is currently entrusted with overseeing the commercial and financial operations of the Company. Considering his qualification and experience he is best suited for the role.

Remuneration proposed	The details of the proposed remuneration are given in Item no. 4 of the explanatory statement of this Notice
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, profile of Mr. Shrikant Mitesh Bhangdiya, responsibility shouldered by him and the industry standard, the remuneration paid or to be paid to the Managing Director is commensurate with the remuneration packages paid to Managerial Personnel in similar size of other Companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Shrikant Mitesh Bhangdiya is the Promoter of the Company. He is related to Mrs. Sonal Kirtikumar Bhangdiya, Director of the Company. He is not related to any other directors/Key Managerial Personnel of the Company.

III. Other information

1. Reasons for loss or inadequate profits: Not applicable as the Company has earned a profit during the year.
2. Steps taken or proposed to be taken for improvement: The Company is continuously taking various cost control measures which may result in increased profitability in the ensuing years.
3. Expected increase in productivity and profits in measurable terms.: Not Applicable.

IV. Disclosure

Please refer to Section titled 'Remuneration of Directors' as contained in the Corporate Governance Report for the year ended 31st March, 2025.

DIRECTORS' REPORT

To
The Members,
Sobhagya Mercantile Limited

The Board of Directors hereby present the report of business and operations of your Company ('the Company' or 'Sobhagya') along with the Audited Financial Statements for the financial year (F.Y.) ended 31st March, 2025.

1. Financial Summary/Highlights:

The highlights of the standalone performance of the Company during the fiscal year are given hereunder:

Particulars	(Rupees in Lakhs)	
	F.Y.2024-25	F.Y.2023-24
Total Income	16,040.72	12,010.61
Less: Total Expenditure	13,656.60	10,437.77
Profit/(Loss) before tax	2,384.12	1,572.85
Less: Tax Expenses	831.04	414.59
Profit/(Loss) after tax	1,553.08	1,158.26
Add: Other comprehensive Income, net of income tax	5.04	3.36
Profit/Loss and other comprehensive income during the year	1,558.12	1,161.63

2. Overview & State of the Company's Affairs:

During the year under review, the Company achieved a total income of Rs. 16,040.72 Lakhs, with a corresponding profit of Rs. 1,553.08 Lakhs. This marks an increase from the previous financial year, where the income stood at Rs. 12,010.61 Lakhs and the profit at Rs. 1,158.26 Lakhs. We anticipate continued improvement in profit margins in the coming years, driven by our strategic initiatives and a comprehensive approach to fostering sustainable growth.

3. Dividend:

The Board of Directors does not recommend any dividend on equity share capital for the financial year 2024-25.

4. Transfer to Reserves:

The Company has not transferred any amount to reserves during the year under review.

5. Material Changes & Commitment affecting the Financial Position of the Company:

During the period under review, there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

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 the Company's operations in future.

7. Transfer of Un-claimed Dividend/Shares to Investor Education and Protection Fund:

There is no such amount of Un-paid or Unclaimed Dividend/Shares to be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2025.

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:

There was no change in the nature of business during the year under review.

Furthermore, the Company has received In-Principle Approval from the Central Government vide letter dated 03rd February, 2025 for approval of Mining Plan and Mine Closure Plan (first Modification) for MARKI MANGLI IV COAL MINE located in Wardha Valley Coal Field under

Section 5 (2)(b) of the Mines & Minerals (Development & Regulation) Act, 1957.

The Board of Directors of the Company in their meeting held on Friday, 14th February, 2025 approved the detailed action plan for further steps, including the application for a mining lease, environmental clearance, land acquisition, and other necessary statutory applications, approvals, and permissions for the Marki Mangli IV Coal Mine.

The Board in their meeting held on Friday, 14th February, 2025, acknowledged that the Company has been conferred the status of “Mega Project” by the Government of Maharashtra vide an offer letter dated 03rd January, 2025 for its Proposed Integrated Steel Plant ,Mega Project for the manufacture of 1) Sponge Iron- 1000 TPD, 2) Induction Furnace- 1500 TPD, 3) Rolling Mill (Long & Flat Products)- 1500 TPD & 4) WHRB Power Plant- 32 MW at Village- Konsari, Dist. Gadchiroli [a ‘Naxalism Affected Areas’ zone] under the Package Scheme of Incentives (PSI) 2019, GR No. PSI 2019/ CR.46/ Ind8 dated 16.09.2019 wherein the Company has proposed to invest Rs. 837.94 Crores.

Following the issuance of the said offer letter, the Company requested a revision of 5 years investment period from the date of land allotment letter instead of 01.04.2023 to 31.03.2028. The Government of Maharashtra has agreed to revise 5 years investment period from the date of offer letter i.e. 03.01.2025 to 02.01.2030 as confirmed in an addendum issued on 4th February, 2025.

In this regard, the Company has made an application for allotment of 150 acres of Industrial land for ‘Proposed Integrated Steel Plant’ manufacturing of Sponge Iron Unit, Steel Processing unit at Gadchiroli District, Maharashtra.

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.

11. Subsidiary Companies:

Your Company has no subsidiaries as on 31st March, 2025.

12. 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.

13. Criteria for determining qualifications, positive attributes and Independence of a director:

In terms of the provisions of Section 178(3) of the Companies Act 2013 (‘the Act’), and Regulation 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (‘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 behavior, 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.

14.Independent Director's Familiarization Programmes:

The familiarization program aims to provide the Independent Directors with the scenario within the Company's 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 Companies Act, 2013 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 www.sobhagyaltd.com.

15.Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and under Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board of Directors has undertaken an annual evaluation of its own performance, performance of its various Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report of the Company which forms an integral part of this Annual Report.

16.Managerial Remuneration and Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in [Annexure- I](#) and annexed to the Directors' Report.

Particulars of employees drawing remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There are no employees drawing remuneration of Rupees One Crore and Two Lakhs or more per annum if employed throughout the financial year or Rupees Eight Lakh and Fifty

Thousand per month if employed for part of the financial year or draws remuneration in excess of Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

17.Number of Board Meetings:

During the year, nine (9) meetings of the Board of Directors of the Company were held on 16-04-2024, 27-05-2024, 09-08-2024, 14-08-2024, 05-09-2024, 20-09-2024, 13-11-2024, 03-01-2025, 14-02-2025. The details of the meetings are furnished in the Corporate Governance Report of the Company which forms an integral part of this Annual Report.

18.Statutory Committees of the Board:

Currently, the Board has four Committees namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility Committee.

The detailed information with regard to the composition of Board and its Committee(s) and their respective meetings etc. are stated in the Corporate Governance Report of the Company which forms an integral part of this Annual Report.

19.Directors and Key Managerial Personnel:

Resignation:

During the year under review, Mr. Niresh Maheshwari (DIN: 06735182) tendered his resignation as Non-Executive Independent Director of the Company with effect from 07th June 2024 along with his membership in various Committees, where he served as a member.

Appointment and Re-appointment:

Mr. Rupesh Malpani (DIN: 08471166) was appointed as a Non-Executive Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years commencing from 9th August, 2024 up to 8th August, 2029 (inclusive of both days), approved by the Board of Directors in their meeting held on 09th August, 2024 and subsequently by the Members/ Shareholders of the Company in the 40th Annual General Meeting held on Monday, 30th September, 2024 at 4.00 pm by way of special resolution.

Mr. Prashantkumar Lahoti (DIN: 00091140) was re-appointed as a Non-Executive Independent Director, not liable to retire by rotation, to hold office for a second term

of 5 (five) consecutive years, on the Board of the Company commencing from 21st September, 2024 upto 20th September, 2029 (both days inclusive) approved by the Board of Directors in their meeting held on 20th September, 2024 and subsequently by the Members/ Shareholders of the Company by postal ballot through remote e-voting on 14th December, 2024.

Director liable to retire by rotation:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sonal Kirtikumar Bhangdiya (DIN: 03416775), Non-executive Non-Independent Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Re-appointment of Managing Director:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 14th August, 2025, have approved and recommended to the members of the Company, the re-appointment of Mr. Shrikant Mitesh Bhangdiya (DIN-02628216) as Managing Director of the Company for a further term of five consecutive years with effect from 05th December, 2025 to 04th December, 2030 (both days inclusive).

The resolutions seeking Member's approval for the re-appointment form part of the Notice. The details of the Director being recommended for re-appointment are contained in the accompanying Notice of the 41st Annual General Meeting.

Key Managerial Personnel:

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Rules framed thereunder, Mr. Shrikant Mitesh Bhangdiya, Managing Director, Mr. Anil Khawale Ramrao, Chief Financial Officer and Mrs. Shalinee Singh, Company Secretary and Compliance Officer are the Key Managerial Personnel ('KMP') of the Company as on 31st March 2025.

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. In line with the requirements of the Companies Act, 2013 and amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions have been approved by the Audit Committee and reviewed by it on a periodic basis. The Related Party transactions effected during the financial year are disclosed in the notes to the Financial Statements, forming part of this Annual Report. The policy on Related Party Transactions as approved by the Board is available on the Company's website at the link <https://www.sobhagyaltd.com/pdf/policy/Related%20party%20transactions%20policy.pdf>

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- II** to this report.

Further, the members approved the material related party transaction(s) with MKS Constro-Venture Private Limited for an aggregate value of upto Rs.115 crores, with B.K. Buildcon for an aggregate value of upto Rs. 50 crores and with R.B. Infra for an aggregate value of upto Rs. 40 crores for the financial year 2024-25 by passing Ordinary Resolution through postal ballot, only by voting through electronic means ('remote e-Voting') on Thursday, 27th June, 2024.

The members approved the material related party transaction(s) with MKS Constro-Venture Private Limited for an aggregate value of up to Rs.250 crores, for the financial year 2025-26 by passing Ordinary Resolution through postal ballot, only by voting through electronic means ('remote e-Voting') on Friday, 20th June, 2025.

20.Related Party Transactions:

21. Statutory Auditors:

M/s. Joshi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 144627W) were appointed as Statutory Auditors of your Company at the 36th Annual General Meeting ('AGM') of the Company held on 30th December, 2020, to hold office for a term of five consecutive years until the conclusion of the 41st AGM of the Company. Based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on 14th August, 2025, have approved and recommended to the members of the Company, their re-appointment for a second term of five consecutive years, to hold office from the conclusion of this 41st AGM till the conclusion of the 46th AGM of the Company.

The Company has received confirmation from M/s. Joshi & Shah, Chartered Accountants that they are not disqualified from being appointed as the Statutory Auditors of the Company.

The report given by the Auditors on the financial statements of the Company is a part of the Annual Report.

The Auditors have not expressed a qualified opinion in their Audit Report for financial year ended 31st March, 2025.

The Statutory Auditors of the Company have not reported any instances of fraud as specified under Section 143(12) of the Companies Act, 2013.

22. Internal Auditors:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. Ashish Mittal & Associates, Chartered Accountants (Firm Registration No. 019185C), Nagpur, were appointed as Internal Auditors of the Company for the financial year 2024-25.

23. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 ('the Act') 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 Mr. Parag Dasarwar, Practicing Company Secretary, Nagpur to undertake the Secretarial Audit of the Company for the financial year 2024-25. Parag Dasarwar, Company Secretaries, Proprietorship converted into the Partnership Firm named as PDTS & Associates, Company Secretaries as on 01-04-2025.

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations'), the Company has obtained Secretarial Compliance Report from the Secretarial Auditors on compliance of all applicable SEBI Regulations and circulars/ guidelines issued there under.

Pursuant to the amended provisions of Regulation 24A of the Listing Regulations requiring the appointment of Secretarial Auditors by the Members of the Company, the Board of Directors have approved and recommended the appointment of M/s PDTS & Associates, Company Secretaries (Firm Registration No. P2025MH104400), Nagpur, as Secretarial Auditors of the Company for a term of five consecutive years commencing from F.Y. 2025-26 till F.Y. 2029-30, for approval of the members at the ensuing Annual General Meeting.

M/s PDTS & Associates, Company Secretaries, have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and the Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and the Listing Regulations.

24. 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 Auditors' Report on the Accounts for the financial year ended 31st March, 2025 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 Mr. Parag Dasarwar, Practicing Company Secretary, for the financial year ended 31st March, 2025. The Report given by the Secretarial Auditors is annexed herewith as **Annexure -III** and forms integral part of this Report.

The observations and comments given by the Secretarial Auditors in their report are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

25.Fraud Reporting:

During the Financial Year 2024-25, the Statutory 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.

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

The information as required under Section 134 (3) (m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided hereunder:

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

27.Management Discussion and Analysis Report:

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached, which forms part of this Annual Report.

28.Risk Management Policy:

The Board of Directors has developed risk management policy so as to identify elements of risk in different areas of operations and to take necessary actions to mitigate the risks. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis. The policy is available on the Company's website at www.sobhagyaltd.com.

29.Corporate Governance:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') are complied with.

As per Regulation 34(3) Read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with certificate from Practicing Company Secretary confirming the Compliance of the condition of Corporate Governance as stipulated in the Listing Regulations, is annexed and forms an integral part of this Annual report.

30. Code of Conduct for Prevention of Insider Trading:

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be Listed Securities' of the Company. The object of the Code is to set up framework, rules and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The code has been formulated to protect the interest of shareholders at large and to prevent misuse of any unpublished price sensitive information ('UPSI') 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 Company has also adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018 and Policy and procedure for Inquiry into leak or suspected leak of UPSI. Code of conduct for the prevention of insider trading is available on the Company's website www.sobhagyaltd.com.

31. Annual Return:

The Annual Return pursuant to the provision of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.sobhagyaltd.com.

32. Stock Exchange

The Company's equity shares are listed on BSE Limited. The Annual Listing Fees for the year 2025-2026 have been paid to the Exchange.

33. Share Capital:

During the year under review, the authorized share capital of the Company stood at Rs. 200,000,000/- (Rupees Twenty Crores Only) divided into 20,000,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

During the year under review, the issued, subscribed, and paid-up equity share capital of the Company increased from Rs. 24,00,000 (Rupees Twenty-four Lakhs only) divided into 2,40,000 (Two Lakh forty thousand) equity shares of Rs. 10 (Rupees Ten Only) each to Rs. 8,40,00,000 (Rupees Eight Crore and forty Lakhs only) divided in 84,00,000 (Eighty-four Lakhs) Equity Shares of Rs. 10 (Rupees Ten Only) each. The increase in share capital was a result of the allotment of equity shares made through a Rights Issue during the year.

34. Declaration of Independence:

The Company has received declarations from all the Independent Directors of the Company under section 149(7) of the Companies Act, 2013, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors:

The Board of Directors is of the opinion that the integrity, expertise and experience (including proficiency) of the Independent Directors are satisfactory.

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

The Nomination & Remuneration 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 https://www.sobhagyaltd.com/pdf/policy/Nomination_Remuneration%20Policy.pdf

36. Directors' 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 31st March 2025, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any;
- (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 31st March 2025 and the profit of the Company for the financial year ended 31st March 2025;
- (c) proper and sufficient care have 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.

37.Vigil Mechanism/Whistle Blower Policy:

The Company has adopted Whistle Blower policy/Vigil Mechanism. The details of establishment of such mechanism are provided in the Report on Corporate Governance which forms an integral part of this Annual Report and also available on the website of the Company at <https://www.sobhagyaltd.com/pdf/policy/Whistle%20blower%20policy.pdf>

38.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 Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is required.

39.Corporate Social Responsibility:

The brief outline of the Corporate Social Responsibility ('CSR') Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out as **Annexure- IV** to this report in the format prescribed in the Companies (CSR Policy) Rules, 2014. For other details regarding the CSR Committee, refer to the Corporate Governance Report, which is a part of this Annual Report. The CSR policy is available on the website of the Company at https://www.sobhagyaltd.com/pdf/policy/CSR_Policy_SML.pdf

40.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.

41.Insurance:

The properties and assets of your Company are adequately insured.

42.Particulars of loans, guarantees and investments under section 186 of the Companies Act, 2013:

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

43.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 review the internal control systems along 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 and also with the Statutory Auditors and are consistently reviewed by the Audit Committee.

44. Prevention of Sexual Harassment at Workplace:

The Company 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. A Committee has been set up to redress complaints received regarding Sexual harassments. During the year under review, there were no Complaints pertaining to sexual harassment.

45.Compliance with the provisions of the Maternity Benefit Act, 1961

During the year under review, the Company has complied with the provisions of the Maternity Benefit Act, 1961, and the rules made thereunder, as amended from time to time. All eligible women employees are provided maternity leave and other benefits in accordance with the applicable provisions of the Maternity Benefit Act, 1961.

46.The Details of the difference between the amount of the Valuation done at the time of One-Time Settlement and the Valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof.

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions.

47.The Details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the Financial Year.

During the year under review, the Company has not made or received any application under the Insolvency and Bankruptcy Code, 2016 and there is no proceeding pending under the said Code.

48.Rights Issue

On 12th August, 2023, the Board of Directors approved the raising of funds through the issuance of equity shares of the Company for an amount not exceeding Rs. 25 crores by way of a rights issue to the eligible equity shareholders of the Company. The draft letter of offer dated 18th October, 2023 duly approved by the Rights Issue committee was filed by the Company with Securities and Exchange Board of India ('SEBI') and BSE Limited ('BSE') for an amount aggregating up to Rs. 1900.00 lakhs on a Rights basis to the eligible equity shareholders of the Company.

The Company received letter dated 26th December, 2023 from BSE granting in-principle approval for undertaking the Issue.

On 16th April, 2024, the Board of directors approved the various terms of the Rights Issue and Letter of Offer for the Rights Issue. The issue was opened for the eligible equity shareholders from Monday, 06th May, 2024 to Tuesday 21st May, 2024 and pursuant to the finalization of the Basis of Allotment of the Rights Issue, in consultation with the Designated Stock Exchange, BSE Limited, the Board of Directors approved the allotment of 81, 60,000 Fully Paid - up Equity Shares at a price of Rs.21 per Rights Equity Share (including a premium of Rs. 11 per Right Equity Share and face value Rs. 10 each) aggregating to Rs. 1713.60 Lakhs, to all the Eligible Equity Shareholders in the ratio of 34 (Thirty-Four) Rights Equity Shares for every 1(One) Equity Share held by an Eligible Equity Shareholder of the Company on 27th May, 2024 and obtained the listing approval from BSE Limited on 30th May, 2024 and trading approval on 31st May, 2024.

The proceeds of the said issue have been utilised for the objects stated in the Letter of Offer dated 16th April 2024 towards inter alia, working capital requirements, general corporate purposes and expenses related to the Issue.

49.Green Initiative:

In the line with the 'Green initiative', the Company has affected electronic delivery of the Annual Report 2024- 25 are sent to all members whose email addresses are registered with Depository Participants/ M/s Purva Sharegistry (I) Private Limited (Company's Registrar and Share Transfer Agent). Your Company would encourage other Members also to register themselves for receiving Annual Report in electronic form.

50.Other Disclosures:

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:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) 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.

51.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 thank the employees at all levels, for their contribution towards the growth of the Company.

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

**For and on behalf of the Board of Directors of
Sobhagya Mercantile Limited**

Sd/-

Shrikant Bhangdiya
Managing Director
(DIN: 02628216)

Sd/-

Sonal Bhangdiya
Director
(DIN: 03416775)

Place: Nagpur

Date: 14th August, 2025

Annexure- I

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2024-25:

Name	Remuneration for F.Y. 2024-25	Median remuneration of employees F.Y. 2024-25	Ratio of the remuneration of each Directors/to median remuneration of the employees
Mr. Shrikant Mitesh Bhangdiya	60	1.46	41.03:1
Mrs. Sonal Kirtikumar Bhangdiya	12	1.46	8.21:1

2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year:

Name	% Increase in the remuneration
Mr. Shrikant Mitesh Bhangdiya	-
Mrs. Sonal Kirtikumar Bhangdiya	-
Mr. Anil Khawale	5
Mrs. Shalinee Singh	25

3. The percentage increase in the median remuneration of employees in the financial year: **-44.22 %**
4. The number of permanent employees on the rolls of the Company: The Company has chosen to outsource its entire payroll management to MKS Multimedia Private Limited. During the financial year 2024-25, MKS Multimedia Private Limited has engaged approximately **145 employees** to work for the Company. These employees are essentially performing roles within the Company, even though they are on the payroll of MKS Multimedia Private Limited.
5. Average percentage increase made in the salaries of employees, other than the managerial personnel, in the last financial year i.e. F.Y. 2024-25 was **36.20%**. The average percentage increase in the salaries of the managerial personnel in the last financial year i.e. F.Y. 2024-25 was **0%**
6. It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

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

Sd/-

Sd/-

Shrikant Bhangdiya

Sonal Bhangdiya

Managing Director
(DIN: 02628216)

Director
(DIN: 03416775)

Place: Nagpur

Date: 14th August, 2025

ANNEXURE II
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for 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 transaction under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at Arm's length basis.** Not Applicable
2. **Details of contracts or arrangements or transactions at Arm's length basis.**

Name of the Related Parties and Nature of Relationship:

Related parties in which directors are interested

MKS Constro-Venture Private Limited
Mahendra Construction
MNEC-MKS JV
Balaji Stone Crusher & Infraventures Private Limited
Bramhapuri Dhanora Highway Private Limited
Chimur Petgaon Highway Private Limited
Kitadi Torgaon Highway Private Limited
Mitcon Infraproject Private Limited
MKS Acme Build Private Limited
MKS Flexituff Limited
MKS Industries
Mul Podsa Roadways Private Limited
Shankarpur Chimur Highway Private Limited
Shanta Infraventure
Surbodi Bhis 167 Highway Private Limited
B. K. Buildcon
HPS Construction
R.B. Infra
MKS Multimedia Private Limited
NAG HAM 182 Highway Private Limited
IDC-Mahendra JV

Key Managerial Personnel

Shrikant Bhangdiya – Managing Director
Sonal Bhangdiya - Director

Relatives of Key Managerial Personnel

Aarti Bhangdiya
Kirti Kumar Bhangdiya
Mitesh G Bhangdiya

Directors are Trustees in the Trust

Bhangdiya Foundation

(Rupees in Lakhs)

Name of the Related Party	Nature of transaction	31 st March, 2025	31 st March, 2024	Date(s) of approval by the Board, if any
1. Mr. Shrikant Bhangdiya	Managerial Remuneration	60.00	60.00	
2. Mrs. Sonal Kirtikumar Bhangdiya	Managerial Remuneration	12.00	12.00	
3. MKS Acme Build Private Limited	Interest free loan		-	27-05-2024
	- Given	-	-	
	- Repayment received	-	-	
	- Taken	-	50.00	
	- Repaid	-	-	
4. MKS Constro-Venture Private Limited	1.Sales	14,291.96	9,471.56	27-05-2024
	2.Purchase	-	-	
	3.Loan		-	
	- Given	716.42	1,292.47	
	- Repayment received	789.14	1,125.07	
	- Taken	-	-	
	- Repaid	-	-	
5. MKS Flexituff Limited	Advance	-	-	27-05-2024
	-Given	-	14.00	
	-Repaid	-	14.00	
6. MNEC – MKS (JV)	Sales	-	-	27-05-2024
7. BK Buildcon	1. Share of Profit	-	-	27-05-2024
	2. Sales	194.24	2,055.82	
	3 .Loan	-	-	
	- Given	-	-	
	- Repayment received	-	-	
8. HPS Construction	1. Sales	-	10.66	27-05-2024
	2. Share of Profit	-	-	
	3. Loan	-	-	

	- Given	-	-	
	- Repayment received	-	-	
9. RB Infra	1. Share of Profit		-	27-05-2024
	2. Investment Repaid		-	
	3. Loan		-	
	-Given		-	
	-Repayment received		-	
	Purchase	628.74	278.21	
	Sales	445.68	1,195.85	
10. Shanta Infraventure	1. Share of Profit		-	27-05-2024
	3. Loan	-	-	
	-Given	-	-	
	-Repayment received	-	135.09	
	Sales	-	-	
11. Balaji Stone Crusher & Infraventures Private Limited	Loan Given	-	-	27-05-2024
12. Bhangdiya Foundation	Loan Given	-	-	27-05-2024
	-Repayment received	-	-	
	-CSR Donation made	2.90	-	
13. Shrikant Bhangdiya	Loan		-	
	-Given	105.00	153.00	
	-Repayment received	42.00	153.00	
14. Sonal Bhangdiya	Loan	-	-	
	-Given	-	52.00	
	-Repayment received	-	-	
15. Kirtikumar Bhangdiya	1. Loan		-	
	-Given		-	
	-Repayment received		-	
	2. Lease Payment	4.80	12.00	

16. Bramhapuri Dhanora Highway Private Limited	Loan		-	27-05-2024
	-Given	110.06	100.60	
	-Repayment received	11.00	0.06	
17. Chimur Petgaon Highway Private Limited	Loan		-	27-05-2024
	-Given	42.02	350.23	
	-Repayment received	4.20	0.02	
18. Shankarpur Chimur Highway Private Limited	Loan		-	27-05-2024
	-Given	126.34	1,147.12	
	-Repayment received	595.63	0.71	
19. Mitcon Infraproject Private Limited	Loan		-	27-05-2024
	-Given	139.25	76.99	
	-Repayment received	120.95	71.94	
20. IDC-Mahendra Jv	Sales	30.18	-	27-05-2024
	Loan			
	-Given	-	-	
	-Repayment received	-	-	
21. MKS Multimedia Private Limited	Sales	-	-	27-05-2024
	Purchase of Service	347.20		
	Loan			
	-Given	-	-	
	-Repayment received	-	-	
22. MKS Flexituff Limited	Sales	-	-	27-05-2024
	Purchase of Service	0.21		
	Loan			
	-Given	-	-	
	-Repayment received	-	-	
23. Nag Ham 182 Highway Private Limited	Sales	-	-	27-05-2024
	Purchase of Service	-		
	Loan	-	-	
	-Given	37.01	-	

	-Repayment received	-	-	
--	---------------------	---	---	--

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

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

Sd/-
Sonal Bhangdiya
Director
(DIN: 03416775)

Place: Nagpur

Date: 14th August, 2025

Annexure III

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended on 31st March, 2025

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

To,

The Members,

Sobhagya Mercantile Limited

B-61, Floor 6, Plot No 210 B Wing Mittal Tower,

Free Press Journal Marg Nariman Point,

Mumbai City - 400021,

Maharashtra, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sobhagya Mercantile Limited** having CIN: L45100MH1983PLC031671 (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, based on management representations received and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *Not Applicable*

v. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- h) The Securities and Exchange Board of India (Registrars to an Issue & Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- j) The Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018;
- k) 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;
- vi. The management has identified and confirm that the other laws as specifically applicable to the Company and that the Company have proper system to comply with the provisions of the respective Acts, rules and Regulations;
- vii. In case of Direct and Indirect Tax Laws like Income Tax Act, 1961, Goods and Services Tax Law, Excise & Custom Laws, we have relied on the Reports given by the Statutory Auditors of the Company;
- viii. We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with the following specific laws to the extent applicable to the Company:
 - a. Maharashtra Shops and establishments Act.
 - b. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - c. Local laws as applicable to various offices and work places.

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

- i. Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS- issued by The Institute of Company Secretaries of India (ICSI);
- ii. The Listing Agreements entered by the Company with BSE Limited.

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 observations:

1. There has been a late submission of Annual Secretarial Compliance Report (ASCR) to the stock exchange for FY 2023-24 under Regulation 24A SEBI (LODR) Regulations, 2015, for which late fees has been paid by the Company.

2. The Minimum Public Shareholding of the Company has fallen below 25% in the quarter ending on 31st March, 2025. The Company has confirmed that the said change in public shareholding pattern was below the threshold by 0.02% which needs to be reported under Regulation 38 SEBI (LODR) Regulations, 2015. The Company has clarified that the same was made inadvertently and unintentionally and has been rectified, corrected and intimated to the stock exchange vide email dated 26th May, 2025.

3. The Company has an unspent CSR amount of ₹6,77,816 for FY 2024-25, which is required to be transferred to a designated Fund as per Section 135(5) of the Companies Act, 2013. As of the audit date, the Company is in the process of transferring this unspent amount to the designated Fund and will provide documentation evidencing the transfer once completed.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Nonexecutive 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.

- As per information provided, adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All the decisions were carried out unanimously by the members of the Board and the same were duly recorded in the minutes of the meeting of the Board of Directors.

We further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the review period, the Board of Directors have allotted equity shares to the eligible existing shareholders of the Company on a Rights issue basis vide resolution passed at their meeting held on 27th May, 2024.

We further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers / records required by the concerned authorities and internal control of the concerned department.

Date : 14th August, 2025
Place: Nagpur

For PDTS & Associates
Company Secretaries
FRN - P2025MH104400
Sd/-

Parag S. Dasarwar
Partner
Membership No.: F9304
COP No.: 8227
PRC No.: 6716/2025
UDIN: F009304G001011294

Annexure I

To,
The Members,
Sobhagya Mercantile Limited
B-61, Floor 6, Plot No 210 B Wing Mittal Tower
Free Press Journal Marg Nariman Point
Mumbai City - 400021
Maharashtra, India

The Secretarial Audit Report for the financial year ended 31st March, 2025 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on report of Statutory Auditors, Tax auditors and Cost Auditors for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the Company since the same have been subject to review by respective Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the Company and its officers by audio and/or visual means.

Date : 14th August, 2025
Place: Nagpur

For PDTS & Associates
Company Secretaries
FRN - P2025MH104400
Sd/-

Parag S. Dasarwar
Partner
Membership No.: F9304
COP No.: 8227
PRC No.: 6716/2025
UDIN: F009304G001011294

Annexure –IV

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company:

The CSR policy has been framed in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Shrikant Mitesh Bhangdiya	Managing Director (Chairman)	2	2
2.	Mr. Prashantkumar Lahoti	Non-Executive Independent Director (Member)	2	2
3	Mr. Niresh Maheahwari ¹	Non-Executive Independent Director (Member)	2	1
4	Mr. Rupesh Malpani ²	Non-Executive Independent Director (Member)	2	1

1. Ceased to be Non-executive -Independent Director w.e.f. 07th June, 2024 due to resignation

2. Appointed as a member of the Committee w.e.f. 09th August, 2024

During the year, the CSR Committee was reconstituted on 09th August, 2024.

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of CSR committee www.sobhagyaltd.com

CSR Policy and CSR projects www.sobhagyaltd.com

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable

5.(a) Average net profit of the Company as per sub-section (5) of section 135.- Rs. 14,39,17,459 /-

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135. -Rs. 28,78,349 /-

(a) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - NIL

(b) Amount required to be set-off for the financial year, if any. - NIL

(c) Total CSR obligation for the financial year [(b)+(c)-(d)] -Rs. 28,78,349/-

6.(a) Amount spent on CSR Projects (other than Ongoing Project). - Rs. 21,40,000

(b) Amount spent in Administrative Overheads. - Not Applicable

(c) Amount spent on Impact Assessment, if applicable. -Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. -Rs. 21,40,000

(e) CSR amount spent or unspent for the financial year:

Amount Unspent (in Rs.)						
Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.	
Rs. 21,40,000	-	-	-	-	-	

(f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	28,78,349
ii)	Total amount spent for the financial year	21,40,000
iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	NIL

7.Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

SR. NO.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section(6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
1	2024-25	-	-	21,40,000	-	-	-	6,77,816	-
2	2023-24	-	-	24,83,800	-	-	-	-	-
3	2022-23	-	-	-	-	-	-	14,55,628	-
4	2021-22	-	-	-	-	-	-	-	-
5	2020-21	-	-	-	-	-	-	4,24,612	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the Company has failed to spend 2% of the average net profit as per sub-section (5) of Section 135.- Certain identified CSR initiatives faced operational or implementation challenges, resulting in partial utilization of the allocated amount.

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

Sd/-

Sd/-

Shrikant Bhangdiya

Sonal Bhangdiya

Chairman CSR Committee
(DIN: 02628216)

Director
(DIN: 03416775)

Place: Nagpur

Date: 14th August, 2025

REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations'), a report on corporate governance is given hereunder.

1. Company's Philosophy on Code of Governance

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. The Company's philosophy on corporate governance is to conduct its business with high standards of ethics and rigorous adherence to corporate governance in order to achieve transparency, accountability and business prosperity. We are committed to maximizing stakeholders value, be it shareholders, employees, customers, suppliers, investors, communities. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials, performance and governance of the Company.

The Company has code of conduct for employees including Directors and Senior Management Personnel. These codes are available on the Company's website. The Company's Corporate Governance philosophy has been further strengthened through adopting Code of Conduct for Prevention of Insider Trading.

2. Board of Directors:

a. Composition of the Board of Directors

As on 31st March, 2025, the Board comprises of four (4) Directors, out of which one (1) is Managing Director, one (1) is Non-Executive Non-Independent Woman Director and Two (2) are Non-Executive Independent Directors.

The composition of the Board is in compliance with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013 ('the Act') read with the relevant rules made thereunder as follow:

Name of Directors	Category	Shareholding as on 31 st March, 2025
Mr. Shrikant Mitesh Bhangdiya	Managing Director	19,02,143
Mrs. Sonal Kirtikumar Bhangdiya	Non- Executive -Non-Independent Director	11,00,449
Mr. Prashantkumar Lahoti	Non- Executive -Independent Director	Nil
Mr. Rupesh Prakash Malpani	Non- Executive -Independent Director	Nil

The Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in conformity with the Act. Every Independent Director has made requisite declaration under regulation 25(8) of the Listing Regulations and section 149(7) of the Act that he/she meets the 'criteria of independence' as required under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and the Act and are independent of the management.

During the year under review, Mr. Niresh Maheshwari (DIN: 06735182) tendered his resignation as Non-Executive Independent Director of the Company with effect from 07th June 2024 along with his membership in various Committees, where he served as a member due to certain other professional commitments. He has confirmed that that there is no other material reason for his resignation other than one mentioned in his resignation letter.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and the Listing Regulations.

b. Attendance and no. of directorships/ committee membership(s)/ chairmanship(s) held by the Directors in other companies

During the financial year 2024-25, Nine (9) Board Meetings were held on 16th April, 2024, 27th May, 2024, 09th August, 2024, 14th August, 2024, 05th September, 2024, 20th September, 2024, 13th November, 2024, 03rd January, 2025 and 14th February, 2025. The necessary quorum was present for all the meetings. 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. All the meetings are held in accordance with the provisions of the Act.

The attendance at Board Meetings held during the financial year 2024-25 and the number of Directorships in other companies, Committee Chairmanships / Memberships held by them in other public companies as on 31st March 2025 are given herein below.

Name of Directors	No. of Board Meetings Attended during the year 2024-25	Whether last Annual General Meeting held on 30 th September, 2024 attended	No of Directorship in other Companies as on 31 st March, 2025	No. of Committee position in other public Companies as on 31 st March, 2025	
				Member	Chairman
				Held/Attended	
Mr. Shrikant Mitesh Bhangdiya	9/9	Yes	17	0	0
Mrs. Sonal Kirtikumar Bhangdiya	9/9	Yes	02	0	0
Mr. Prashantkumar Lahoti	9/9	Yes	07	0	0
Mr. Niresh Maheshwari ¹	9/2	N.A.	03	0	0
Mr. Rupesh Prakash Malpani ²	9/6	Yes	0	0	0

1. Ceased to be Non-executive -Independent Director w.e.f. 07th June, 2024 due to resignation
2. Appointed as a Non-executive -Independent Director w.e.f. 09th August, 2024

c. Mrs. Sonal Kirtikumar Bhangdiya, Non-Executive-Non-Independent Director is the Sister-in-law of Mr. Shrikant Mitesh Bhangdiya, Managing Director of the Company. None of the other directors and key managerial personnel are related to each other.

d. Details of Familiarization programs imparted to Independent Directors

Familiarisation Program imparted to Independent Directors has been given on the Company's Website i.e. www.sobhagyaltd.com.

e. Skills/expertise/ competencies of the Board of Directors

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Area of skills/expertise/ competencies
1.	Business Administration
2.	Relevant Industry Experience including Core Operations
3.	Strategic Planning and Business Operations
4.	Accounting and Financial Reporting
5.	Legal and Regulatory Compliance and Corporate Governance
6.	Risk Management

These skills/competencies are broad-based, encompassing several areas of expertise/experience.

Each Director may possess varied combinations of skills/experience within the described set of

parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

f. Meeting of Independent Directors:

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was held on 14th February, 2025. At their Meeting, the Independent Directors inter-alia reviewed the performance of Non-Independent Directors, the Board as a whole and the Managing Director of the Company, on parameters of effectiveness and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. Audit Committee

The Board has constituted an Audit Committee in compliance with Regulation 18 of the Listing Regulations, read with Section 177 of the Act. As on 31st March, 2025, the Audit Committee comprises of Three (3) Directors, out of which Two (2) are Non-Executive Independent Directors and One (1) is Managing Director.

The Audit Committee met four (4) times on: 27th May, 2024, 14th August, 2024, 13th November, 2024, and 14th February, 2025. The necessary quorum was present for all the meetings. The maximum time gap between any two meetings was less than 120 days.

The Details of Composition of Audit Committee and the number of Meetings held and attended by the Members during the F.Y. 2024-25 are mentioned herein below:

Name of Committee Members	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Rupesh Prakash Malpani ¹	Chairman	Non-Executive Independent Director	4	3
Mr. Shrikant Mitesh Bhangdiya	Member	Managing Director	4	4
Mr. Prashantkumar Lahoti ²	Member	Non-Executive Independent Director	4	4
Mr. Niresh Maheshwari ³	Member	Non-Executive Independent Director	4	1

1. Appointed as a Non-executive -Independent Director w.e.f. 09th August, 2024 and appointed as Chairman of the Audit Committee w.e.f. 20th September, 2024
2. Ceased to be Chairman of the Audit Committee w.e.f. 20th September, 2024
3. Ceased to be Non-executive -Independent Director w.e.f. 07th June, 2024 due to resignation

During the year, the Audit Committee was reconstituted on 09th August, 2024 and 20th September, 2024.

The Company Secretary acts as the Secretary to the Committee.

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

Mr. Rupesh Malpani, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on Monday, 30th September, 2024.

The role, powers and functions of the Audit Committee are as per Section 177 of the Act and the Listing Regulations. The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The scope and terms of reference of the said committee have been widened in line with the amendments made to the Listing Regulations. The brief terms of reference of the Audit Committee, inter-alia include the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee

In addition to the aforesaid, the Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the Mandatory requirements of the Listing Regulations as amended from time to time and that of the Act.

The audit committee shall mandatorily review the following information

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ('NRC') has been constituted in compliance with the requirements of Regulation 19 of the Listing Regulations and Section 178 of the Act.

Pursuant to the Regulation 19(4) read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, the terms of reference of Nomination & Remuneration Committee shall include the following:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c) Devising a policy on diversity of Board of Directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal;
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f) Recommend to the Board, all remuneration, in whatever form, payable to senior management;

As on 31st March, 2025, the Nomination & Remuneration Committee comprises of Three (3) Directors, out of which Two (2) are Non-Executive Independent Directors and One (1) is Non-Executive Non-Independent Director.

During the financial year 2024-25, four (4) meetings of the Nomination & Remuneration Committee were held on 27th May, 2024, 09th August, 2024, 05th September, 2024, and 20th September, 2024. The necessary quorum was present for the meetings.

The Details of Composition of the Nomination & Remuneration Committee and the number of Meetings held and attended by the Members during the financial year 2024-25 are mentioned herein below;

Name of Committee Members	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Rupesh Prakash Malpani ¹	Chairman	Non-executive Independent Director	4	2
Mrs. Sonal Kirtikumar Bhangdiya	Member	Non-Executive Non-Independent Director	4	4
Mr. Prashantkumar Lahoti ²	Member	Non-executive Independent Director	4	4
Mr. Niresh Maheshwari ³	Member	Non-Executive Independent Director	4	1

1. Appointed as a Non-executive -Independent Director w.e.f. 09th August, 2024 and appointed as Chairman of the NRC Committee w.e.f. 20th September, 2024
2. Ceased to be Chairman of the NRC Committee w.e.f. 20th September, 2024
3. Ceased to be Non-executive -Independent Director w.e.f. 07th June, 2024 due to resignation

During the year, the NRC Committee was reconstituted on 09th August, 2024 and 20th September, 2024.

Mr. Rupesh Malpani, Chairman of the NRC Committee was present at the last Annual General Meeting of the Company held on Monday, 30th September, 2024.

All the recommendations of the NRC have been accepted by the Board.

Performance Evaluation:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Directors individually and working of its committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, its structure and composition, establishment and delegation of responsibilities to various Committees. Directors including the Chairman of the Board who were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management of the Company. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Managing Director and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

5. Remuneration of Directors:

The Nomination and Remuneration Policy of the Company can be accessed on the Company's website at https://www.sobhagyaltd.com/pdf/policy/Nomination_Remuneration%20Policy.pdf

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

The details on the criteria for making payments to the Non-Executive Director(s) is also available on the Company's website

https://www.sobhagyaltd.com/pdf/policy/Nomination_Remuneration%20Policy.pdf

The Company has not granted any stock options to its Board members.

Details of remuneration paid to Managing Director and Non-Executive Non-Independent Director during the year ended 31st March, 2025 are given as under;

Name of Director	Remuneration
Mr. Shrikant Mitesh Bhangdiya, Managing Director	6,000,000
Mrs. Sonal Kirtikumar Bhangdiya, Non-Executive -Non-Independent Director	12,00,000

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ('SRC') has been constituted in compliance with the provisions of Section 178(5) of the Act, read with Regulation 20 and Part D of Schedule II of the Listing Regulations.

The Committee comprises of Three (3) Directors out of which Two (2) are Non-Executive Independent Directors and One (1) is Managing Director.

During the financial year 2024-25, one (1) meeting of Stakeholders' Relationship Committee was held on 14th February, 2025. The necessary quorum was present for the meeting.

The Details of Composition of Stakeholders Relationship Committee and the number of Meetings held and attended by the Members during the financial year 2024-25 are mentioned herein below

Name of Committee Members	Designation	Category	No. of Meeting	No. of Meeting
			Held	Attended
Mr. Rupesh Prakash Malpani ¹	Chairman	Non-Executive Independent Director	1	1
Mr. Shrikant Mitesh Bhangdiya	Member	Managing Director	1	1
Mr. Prashantkumar Lahoti ²	Member	Non-Executive Independent Director	1	1

1. Appointed as a Non-executive -Independent Director w.e.f. 09th August, 2024 and appointed as Chairman of the SRC Committee w.e.f.20th September, 2024
2. Ceased to be Chairman of the SRC Committee w.e.f. 20th September, 2024

During the year, the SRC Committee was reconstituted on 09th August, 2024 and 20th September, 2024.

Mr. Rupesh Malpani, Chairman of the SRC Committee was present at the last Annual General Meeting of the Company held on Monday, 30th September, 2024.

During the year 2024-25, no complaints from the investors/shareholders were received by the Company.

The terms of reference of the SRC cover the matters specified under Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the Listing Regulations.

The terms of reference of the SRC, inter-alia are as follows:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

7. Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility ('CSR') Committee.

As on 31st March, 2025, the CSR Committee comprises of Three (3) Directors, out of which Two (2) are Non-Executive Independent Directors and One (1) is Managing Director.

The CSR Committee formulates and recommends to the Board, a CSR Policy and the annual action plan indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act. The Committee recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitors the implementation of the CSR Policy.

The Committee met two (2) times during the financial year 2024-25 on 27th May, 2024 and 14th February, 2025. The necessary quorum was present for the meetings.

The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name of Committee Members	Designation	Category	No. of Meetings	No. of Meetings
			Held	Attended
Mr. Shrikant Mitesh Bhangdiya	Chairman	Managing Director	2	2
Mr. Prashantkumar Lahoti	Member	Non-Executive Independent Director	2	2
Mr. Niresh Maheshwari ¹	Member	Non-Executive Independent Director	1	1
Mr. Rupesh Prakash Malpani ²	Member	Non-Executive Independent Director	1	1

1. Ceased to be Non-executive -Independent Director w.e.f. 07th June, 2024 due to resignation
2. Appointed as a member of the Committee w.e.f. 09th August, 2024

During the year, the CSR Committee was reconstituted on 09th August, 2024.

8. Rights Issue Committee

The Rights Issue Committee ('RIC') was constituted by the Board of Directors of the Company on 12th August 2023.

The Board, at its meeting held on 14th August, 2024, took note of completion of issuance of equity shares by way of a Rights Issue and abolished the Rights Issue Committee with immediate effect.

9.General Body Meetings:

a) Annual General Meeting:

Details of the Annual General Meetings of the Company held during the last 3 years are as follows:

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2023-24	30-09-2024	04:00 p.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	1. Appointment of Mr. Rupesh Malpani (DIN: 08471166) as an Independent Director of the Company
2022-23	29-09-2023	11.00 a.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	No special resolution Passed
2021-22	30-09-2022	04.00 p.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	1. Appointment of Mr. Niresh Maheshwari (DIN: 06735182) as an Independent Director of the Company 2. Approval of Related Party Transactions during Financial Year 2022 – 2023

b) Extra Ordinary General Meeting:

During the year under review, no Extra Ordinary General Meeting was held

c) Postal Ballot

The Company has conducted a postal ballot vide its notice dated 27th May, 2024 for Approval of Material Related Party Transaction(s) by way of Ordinary Resolution, which was duly passed on 27th June, 2024 and the results of which were announced on 01st July, 2024. Mr. Parag Dasarwar, Practicing Company Secretary, Nagpur, (FCS No. 9304 and C. P. No. 8227) was appointed as the Scrutinizer to scrutinize the

postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Details of Voting Pattern:

Mode of Voting	No. of shares held	No. of votes polled	In favour				Against	
			No. of Votes	% of Votes			No. of Votes	% of Votes
E-Voting	240000	93472	93472	100			0	0

2.The Company has conducted a postal ballot vide its notice dated 13th November, 2024 for re-appointment of Mr. Prashantkumar Lahoti (DIN: 00091140) as a Non-Executive Independent Director of the Company by way of a Special Resolution, which was duly passed on 14th December, 2024 and the results of which were announced on 17th December, 2024.

Mr. Parag Dasarwar, Practicing Company Secretary, Nagpur, (FCS No. 9304 and C. P. No. 8227) was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Details of Voting Pattern:

Mode of Voting	No. of shares held	No. of votes polled	In favour				Against	
			No. of Votes	% of Votes			No. of Votes	% of Votes
E-Voting	8400000	7451470	7451470	100			0	0

The postal ballot was carried out as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Act, read with the Rules framed thereunder and Regulation 44 of the Listing Regulations, Secretarial Standard-2 on General Meetings ('SS-2') read with the Rules framed thereunder and in accordance with the provisions of the General Circulars issued by the Ministry of Corporate Affairs, Government of India, read with applicable circulars issued by the Securities and Exchange Board of India.

None of the businesses proposed to be transacted at the ensuing AGM require passing of a special resolution through postal ballot.

10.Means of Communication:

a. Quarterly results:

The quarterly/half-yearly/ annual financial results are announced immediately after these are approved by the Board of Directors of the Company within the timeline stipulated under the Listing Regulations.

b. Newspapers wherein results normally published

The financial results are published within the timeline stipulated under the Listing Regulations in newspapers viz. Business Standard (in English) and Mumbai Lakshadweep (in Marathi). They are displayed on the Company's website at www.sobhagyaltd.com

c. Website of the Company:

The Company disseminates information to its shareholders by way of filing quarterly, half yearly and annual financial statements with designated stock exchange which are also uploaded on the website of the Company i.e. www.sobhagyaltd.com.

Necessary communication required under the applicable laws to be made by the Company are disclosed on the abovementioned website for shareholder's reference.

d. Annual Report:

The Annual Report with Audited Financial Statements of the Company are available in downloadable formats on the website of the Company at www.sobhagyaltd.com. The Annual Report and Audited Financial Statements of the Company are also available on the website of the Stock Exchange.

11. General Shareholder Information:

a)	Annual General Meeting	Date: Monday, 29 th September, 2025 Time: 11 A.M. (IST) Venue: through Video conferencing ('VC')/Other Audio- Video Means ('OAVM')
b)	Book Closure Date	From Tuesday, 23 rd September, 2025 to Monday, 29 th September, 2025
c)	Financial Year	1 st April to 31 st March
d)	Dividend Payment Date	No dividend is recommended for the financial year 2024-25.
e)	Listing on Stock Exchange	Equity Shares BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Website: www.bseindia.com .
f)	ISIN	INE754D01018
g)	BSE-Stock Code	512014
h)	Annual Listing Fee	Annual Listing Fee for the financial year 2024-25 as applicable has been paid to BSE Limited
i)	Corporate Identity Number (CIN)	L45100MH1983PLC031671. Your Company is registered in the State of Maharashtra, India.

(j) **Stock Price Data:** High, Low during each month of the Financial Year 2024-25.

The Share price data for each month during the financial year 2024-25 on the BSE Limited and the monthly high and low share prices of the Company in comparison with the BSE Sensex are as under:

Month	BSE Limited		BSE Sensex	
	High Price	Low Price	Sensex High	Sensex Low
Apr-24	36.44	33.68	75124.28	71816.46
May-24	-	-	76009.68	71866.01
Jun-24	29	22.5	79671.58	70234.43
Jul-24	43.84	29.58	81908.43	78971.79
Aug-24	62.5	44.71	82637.03	78295.86
Sep-24	94.61	63.75	85978.25	80895.05

Oct-24	146.13	96.5	84648.4	79137.98
Nov-24	208.3	149.05	80569.73	76802.73
Dec-24	304.9	212.45	82317.74	77560.79
Jan- 25	306.85	224.15	80072.99	75267.59
Feb-25	308.75	245.85	78735.41	73141.27
Mar-25	434.25	324.15	78741.69	72633.54

k) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories NSDL and CDSL, within the prescribed timeline.

j) 1) Shareholding pattern as on 31st March, 2025

Category	Number of Shares	% of Capital
Promoter and Promoter Group	6301299	75.02
Public- Institutions	00	00
Public- Non-Institutions	2098701	24.98
Total	8400000	100

ii) Distribution of Shareholding as on 31st March, 2025

Sr. No.	Category (Equity Shares)	Shareholders		Shareholding	
		Number of Shareholders	Percentage of Shareholders (%)	Number of shares held by Shareholders	Percentage of Shareholding (%)
1.	1 – 100	1043	79.8	23606	0.28
2.	101 -200	107	8.19	16931	0.2
3.	201 – 500	44	3.37	15133	0.18
4.	501 -1000	20	1.53	15927	0.19
5.	1001 -5000	31	2.37	73328	0.87
6.	5001 -10000	16	1.22	130914	1.56
7.	10001 -100000	36	2.75	936480	11.15
8.	100001 and above	10	0.77	7187681	85.57
	Total	1307	100	8400000	100

iii) Dematerialization of Shares and Liquidity:

As On 31st March, 2025, the Company's 8386150 equity shares were held in dematerialized form which constitutes

99.84% of total number of subscribed shares and remaining 13850 (0.16 %) equity shares were held in physical form.

m) Plant location: Not Applicable

n) Compliance Officer: Mrs. Shaline Singh

o) Address for correspondence:

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

Corporate Office: 526, 1st Floor, Bhangdiya House, near Getwell Hospital, Dhantoli, Nagpur-440012, Maharashtra, India.

Contact no: 022-22882125

Email: sobhagyamercantile9@gmail.com

Website: www.sobhagyalttd.com

p) Credit Rating Report

The Company has obtained credit ratings from Infomercs Valuation and Rating Private Limited for bank facilities in India. The details of these ratings are provided below:

Category	Ratings	Rating Action
Long Term Bank Facility	IVR BBB-, Stable (IVR Tripe B Minus with Stable outlook)	Assigned
Short Term Bank Facility	IVR A3 (IVR A Three)	Assigned

q) Details of Registrar and Share Transfer Agent (RTA)

Name: M/s. Purva Sharegistry (I) Private Limited

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

Tel: No: 022-31998810/49614132

Email: support@purvashare.com

Website: www.purvashare.com

12. Other Disclosures:

a) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large:

During the year, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts /arrangements / transactions entered by the Company with related parties were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee/the Board of Directors, as the case may be.

The particulars of contracts/arrangements/transactions entered by the Company with related parties during the financial year referred to in Section 188(1) of the Act in prescribed Form AOC-2 is appended as Annexure II to the Directors' Report. The Company has in place a policy on Related Party Transactions and the same is displayed on the Company's website at www.sobhagyalttd.com

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years;

During the financial year 2022-23, The Company has paid a basic fine imposed for an amounting to Rs. 20000/- to BSE towards Non-submission of the financial results for the period ended, 30th June, 2022 within prescribed due dates under Regulation 33 of the Listing Regulations.

During the financial year 2024-25, The Company has paid a fine of Rs. 2360/- to the stock exchange i.e. BSE towards delay in submission of Annual Secretarial Compliance Report for F.Y. 2023-24 under Regulation 24A of the Listing Regulations.

In accordance with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Minimum Public Shareholding ('MPS') of the Company had fallen below the prescribed limit of 25% during the quarter ended 31st March 2025. The Company has subsequently taken necessary steps to rectify the shortfall and has restored compliance. The revised shareholding pattern, as on 23rd May, 2025, was duly updated and intimated to the stock exchange via email dated 26th May, 2025.

c) CEO and CFO Certification

The Managing Director and the Chief Financial Officer (CFO) have provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) read with Part B of Schedule II of the Listing Regulations. The Certificate forms part of this Report.

d) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy/Vigil Mechanism through which its Stakeholders, Directors and Employees can report their genuine concerns about unethical behavior and actual or suspected fraud or violation of the Company's Code of Conduct. The said Policy provides for adequate safeguards against victimization and also direct access to the Audit Committee in appropriate or exceptional cases. The details of establishment of such mechanism are disclosed on the website of the Company at www.sobhagyalttd.com

e. Mandatory requirements:

The Company has complied with all mandatory requirement prescribed in the Listing Regulations for the financial year 2024-25. The Company has obtained a certificate on Corporate Governance from M/s PDTS & Associates, Company Secretaries, (Firm Registration Number- P2025MH104400 & Peer Review Certificate No.: 6716/2025). This certificate is annexed to this report.

f. Disclosure of commodity price risks and commodity hedging activities:

Disclosure of commodity price risks and commodity hedging activities are not applicable to the Company.

g. Directors Qualification certificate:

The Company has obtained a certificate from M/s PDTS & Associates, Company Secretaries, (Firm Registration Number- P2025MH104400 & Peer Review Certificate No.: 6716/2025) stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed to this report.

h) Statutory Audit Fees

Total fees paid by the Company to Statutory Auditors for their services to the Company for the Financial year 2024-25 is Rs. 2.80 lakhs.

i) Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2024-25, there were no complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

- a. number of complaints filed during the financial year – NIL
- b. number of complaints disposed of during the financial year – NIL
- c. number of complaints pending as on end of the financial year – NIL

13. Non- Mandatory requirements

There are no Audit Qualifications in the Auditors' report on the Financial Statements of the Company for the financial year ended 31st March 2025.

14. The Company is in compliance with the corporate governance requirements specified under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the listing regulations.



**DECLARATION REGARDING COMPLIANCE BY
BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH THE COMPANY'S CODE OF
CONDUCT**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2025.

For and on behalf of the Board of
Sobhagya Mercantile Limited

Sd/-

Shrikant Bhangdiya

Managing Director

(DIN: 02628216)

Place: Nagpur

Date: 14th August, 2025

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

To,
The Board of Directors
Sobhagya Mercantile Limited

We certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year 31st March, 2025 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
- 1) significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - 3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-
Anil Khawale
Chief Financial Officer

Place: Nagpur
Date: 14th August, 2025

Certificate on Corporate Governance

(Certificate on compliance with the conditions of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Sobhagya Mercantile Limited

B-61, Floor 6, Plot No 210 B Wing Mittal Tower,

Free Press Journal Marg Nariman Point,

Mumbai City - 400021,

Maharashtra, India

We have examined the compliance of the conditions of Corporate Governance by **Sobhagya Mercantile Limited** ('the Company') for the financial year ended March 31, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions on Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2025.

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

Date : 14th August, 2025

Place: Nagpur

For PDTS & Associates

Company Secretaries

FRN - P2025MH104400

Sd/-

Parag S. Dasarwar

Partner

Membership No.: F9304

COP No.: 8227

PRC No.: 6716/2025

UDIN: F009304G001011294

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Sobhagya Mercantile Limited
B-61, Floor 6, Plot No 210 B Wing Mittal Tower,
Free Press Journal Marg Nariman Point,
Mumbai City - 400021,
Maharashtra, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sobhagya Mercantile Limited** having CIN L45100MH1983PLC031671 and having registered office at B-61, Floor 6, Plot No 210 B Wing Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400021, Maharashtra, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	DIN	Name of Director	Designation	Date of Appointment in Company
1.	02628216	Shrikant Mitesh Bhangdiya	Managing Director	09/08/2019
2.	03416775	Sonal Kirtikumar Bhangdiya	Non- Executive Non-Independent Director	09/08/2019
3.	00091140	Prashant Kumar Lahoti	Non-Executive Independent Director	21/09/2019
4.	06735182	Rupesh Prakash Malpani	Non- Executive Independent Director	09/08/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.



Date : 14th August, 2025
Place: Nagpur

For PDTS & Associates
Company Secretaries
FRN - P2025MH104400

Sd/-

Parag S. Dasarwar

Partner

Membership No.: F9304

COP No.: 8227

PRC No.: 6716/2025

UDIN: F009304G001011294

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL ECONOMY

Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent.

The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks.

Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty.

Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability.

Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

FORCES SHAPING THE OUTLOOK

The global economy is holding steady, although the degree of grip varies widely across countries. Global GDP growth in the third quarter of 2024 was 0.1 percentage point below that predicted in the October 2024 WEO, after disappointing data releases in some Asian and European economies.

Growth in China, at 4.7 percent in year-over-year terms, was below expectations. Faster-than-expected net export growth only partly offset a faster-than-expected slowdown in consumption amid delayed stabilization in the property market and persistently low consumer confidence.

Growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity. Growth continued to be subdued in the euro area (with

Germany's performance lagging that of other euro area countries), largely reflecting continued weakness in manufacturing and goods exports even as consumption picked up in line with the recovery in real incomes. In Japan, output contracted mildly owing to temporary supply disruptions. By contrast, momentum in the United States remained robust, with the economy expanding at a rate of 2.7 percent in year-over-year terms in the third quarter, powered by strong consumption.

Where inflation is proving stickier, central banks are moving more cautiously in the easing cycle while keeping a close eye on activity and labor market indicators as well as exchange rate movements. A few central banks are raising rates, marking a point of divergence in monetary policy.

Economic policy uncertainty has increased sharply, especially on the trade and fiscal fronts, with some differentiation across countries. Expectations of policy shifts under newly elected governments in 2024 have shaped financial market pricing in recent months. Bouts of political instability in some Asian and European countries have rattled markets and injected additional uncertainty regarding stalled progress on fiscal and structural policies. Geopolitical tensions, including those in the Middle East, and global trade frictions remain elevated.

RISKS TO THE OUTLOOK

In the medium term, the balance of risks to the outlook is tilted to the downside, with global growth poised to be lower than its 2025–26 average and five-year-ahead forecasts at about 3 percent. Near-term risks, in contrast, could reinforce divergences across countries: they are tilted to the upside in the United States, whereas downside risks prevail in most other economies amid elevated policy uncertainty and headwinds from ongoing adjustments (in particular, energy in Europe and real estate in China).

An intensification of protectionist policies, for instance, in the form of a new wave of tariffs, could exacerbate trade tensions, lower investment, reduce market efficiency, distort trade flows, and again disrupt supply chains. Growth could suffer in both the near and medium term, but at varying degrees across economies.

Looser fiscal policy in the United States, driven by new expansionary measures such as tax cuts, could boost economic activity in the near term, with small positive spillovers onto global growth. Yet in the longer run, this may require a larger fiscal policy adjustment that could become disruptive to markets and the economy, by potentially weakening the role of US Treasuries as the global safe asset, among other things. Furthermore, higher borrowing to fund looser fiscal policy could increase demand for capital globally, leading to an increase in interest rates and possibly depressing economic activity elsewhere.

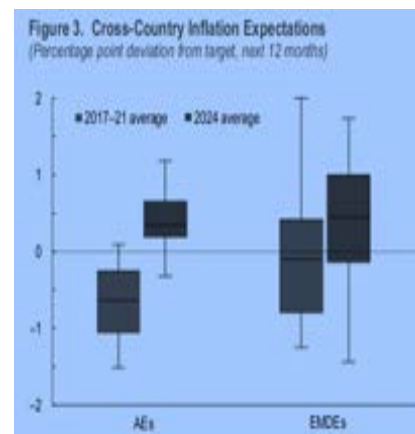
Inflation dynamics could be shaped in opposite directions by these factors. The magnitude of the inflationary effect from tariffs is especially uncertain. While recent empirical studies find high pass-through to import prices, estimates of pass-through to consumer prices are lower and subject to significant uncertainty. Nevertheless, compared with what took place in earlier episodes of trade disputes, several factors suggest that upside risks to inflation from tariff hikes could be higher this time.

First, the global economy is coming out of the most significant inflation surge in recent memory. Inflation expectations, especially in many advanced economies, are farther above the central bank target today than in 2017–21.

The risk of renewed inflationary pressures could prompt central banks to raise policy rates and intensify monetary policy divergence. Higher-for-even-longer interest rates could worsen fiscal, financial, and external risks. A stronger US dollar, arising from interest rate differentials and tariffs, among other factors, could alter capital flow patterns and global imbalances and complicate macroeconomic trade-offs.

In addition to risks from economic policy shifts, geopolitical tensions could intensify, leading to renewed spikes in commodity prices. The conflicts in the Middle East and Ukraine could worsen, directly affecting trade routes as well as food and energy prices. Commodity-importing countries may be particularly affected, with the stagflationary impact of higher commodity prices compounded by an appreciating dollar.

(Source: IMF – World Economic Outlook, Jan 2025)



INDIAN ECONOMY

Real GDP is projected to grow by 6.3% in fiscal year 2025-26 and 6.4% in 2026-27. Private consumption will gradually strengthen, driven by rising real incomes that are helped by moderate inflation, recent tax cuts and a strengthening of the labour market. Investment will be supported by declining interest rates and substantial public capital spending, but higher US tariffs will weigh on exports. Inflation will remain contained at around 4% as economic activity grows around trend. A less benign monsoon season or higher global commodity prices could drive up food prices and inflation.

The Union Budget for the fiscal year 2025–26 foresees a moderate fiscal consolidation, aiming to reduce the headline budget deficit from 4.8% of GDP in fiscal year 2024-25 to 4.4% in 2025-26. With inflation firmly within the target range, monetary policy is gradually expected to become more accommodative. Better targeting of energy and fertiliser subsidies, and an overhaul of tax expenditures, could enhance spending efficiency and free resources for other policy priorities. Improving logistics efficiency, upgrading digital infrastructure, and enhancing policy predictability, particularly in tax administration, could bolster private investment.

Domestic demand support activity

Real GDP expanded by 6.2% year-on-year in the third quarter of FY2024-25, supported by robust domestic demand and strong investment. High-frequency indicators suggest that economic activity remained solid in the fourth quarter. Industrial production rose by 3.7% year-on-year in the first four months of 2025, with the manufacturing sector regaining strength. India's current account deficit widened in the first three quarters of FY2024-25, due to a persistent merchandise trade deficit that was only partially offset by strong services exports. More recent data suggest a slight improvement in the trade balance. The labour market was resilient in 2024 with the labour force participation rate increasing to 45.1% and employment continuing to rise. Survey data from early 2025 show optimism in the labour market, especially in sectors such as information technology, retail, and finance.

(Source: OECD)

Infrastructure industry overview

In the Union Budget 2025-26, capital investment outlay for infrastructure has been increased to Rs. 11.21 lakh crore (US\$ 128.64 billion), which would be 3.1% of GDP. The Infrastructure Finance Secretariat is established to enhance opportunities for private investment in infrastructure that will assist all stakeholders in more private investment in infrastructure.

The Indian government has introduced various formats to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors. The Second Asset Monetization Plan aims to reinvest Rs. 10 lakh crore (US\$ 115.34 billion) in capital for new projects over the period 2025-30 to recycle capital and attract private sector participation.

High budgetary allocation for infrastructure

In the Union Budget 2025-26, capital investment outlay for infrastructure has been increased to Rs. 11.21 lakh crore (US\$ 128.64 billion), which would be 3.1% of GDP.

₹ 11.21 Lakh Crore

	2021 (Current prices, INR trillion)	2021 (Percentage changes, volume)	2022	2023	2024	2025	2026
GDP at market prices	236	9.7	7.6	6.5	6.2	6.3	6.4
Private consumption	143.5	7	6.2	5.7	6.2	6.3	6.4
Government consumption	24.7	3.4	1.2	2.1	3.1	4.6	4.7
Gross fixed capital formation	63.8	15.7	8.4	8.4	6.8	6.5	6.5
Final domestic demand	233.4	10.2	6.9	6.2	6.5	6.3	6.4
Stockbuilding ^{1 2}	2.3	0.3	0.3	-0.2	0	0	0
Total domestic demand	242.2	10.1	7	6	6.4	6.2	6.3
Exports of goods and services	56.7	14.3	13.1	6.4	5.7	6.4	6.5
Imports of goods and services	65	29.3	8.8	7.8	6	6.5	6.6
Net exports ³	-	-	-0.7	-0.8	-0.1	-0.1	-0.1
GDP deflator	-	5.9	6.2	2.6	2.6	3.7	2.7
Consumer price index	-	5.1	6.7	5.4	4.8	4.6	4
General government financial balance ⁴ (% of GDP)	-	-8.2	-8.9	-8.7	-7.5	-4.1	-1.1
Current account balance (% of GDP)	-	-0.9	-1	-1	-1	-0.1	-0.1

Allocation in Budget '25-26

As of March 2022, the Ministry-wise progress of projects is as follows:

- Ministry of Road Transport and Highways has completed 1,41,190 km of National Highways out of the set target of 2,00,000 km for 2024-25.
- Department of Telecommunication has created the OFC (Optical Fibre Cable) network of 33,00,997 km against the set target of 50,00,000 km for 2024-25.
- Ministry of Petroleum has completed the laying of a gas pipeline of 20,000 km out of 34,500 km targeted for the same period.
- Ministry of Power has surpassed its target for laying the transmission network of 4,54,200 km.

India has the second largest road network in the world and its National Highways expanded from 65,569 km in 2004 to a total length of 1,46,145 km in 2024, forming the primary arterial network of the country. The Government of India has undertaken several initiatives to enhance and strengthen the National Highways network through flagship programmes such as the Bharatmala Pariyojana which includes the subsumed National Highway Development Project (NHDP), the Special Accelerated Road Development Programme for the North-East Region (SARDP-NE), and many more ongoing projects.

Steel industry overview

The India Steel Market size is estimated at 148.28 million tons in 2025, and is expected to reach 230.03 million tons by 2030, at a **CAGR of 9.18%** during the forecast period (2025-2030).

India has established itself as a global steel manufacturing powerhouse, currently holding the position of the world's second-largest producer of crude steel after surpassing Japan. The country's steel sector demonstrated robust production capabilities in FY23, achieving an annual output of 125.32 million tons of crude steel and 121.29 million tons of finished steel. The industry has also maintained a strong trade position, with net exports reaching 6.72 million tons against imports of 6.02 million tons in FY 2022-23, highlighting India's growing self-sufficiency and export capabilities in steel production.

The Indian government has implemented comprehensive long-term support policies to strengthen the domestic steel sector, with the National Steel Policy 2017 serving as a cornerstone initiative. Through this policy, the government aims to develop India into a technologically advanced steel manufacturing hub, focusing on achieving a total crude steel capacity of 300 MTPA by 2030-31. The policy framework specifically targets the expansion of state-owned entities, with plans to increase SAIL's operational capacity from the existing 19.51 MTPA to approximately 35.65 MTPA by 2030-31. Additionally, the government's Production Linked Incentive (PLI) Scheme, approved with an outlay of INR 6,322 crore, is scheduled to commence from FY 2023-24, demonstrating the government's commitment to boosting domestic production.

Infrastructure construction industry overview

The Indian infrastructure market, valued at \$204.06 million in 2025, is poised for robust growth, exhibiting a Compound Annual Growth Rate (CAGR) of 9.57% from 2025 to 2033. This expansion is fueled by several key drivers. Government initiatives focused on enhancing social infrastructure (e.g., affordable housing, healthcare facilities), substantial investments in transportation infrastructure (roads, railways, airports), and the burgeoning need for improved utilities infrastructure (electricity, water management) are primary catalysts.

The forecast period (2025-2033) promises substantial expansion across various infrastructure segments. The transportation infrastructure segment is projected to experience particularly strong growth due to planned expansions in national highway networks, metro rail systems, and airport infrastructure.

Manufacturing infrastructure will benefit from the "Make in India" initiative, attracting investments in industrial parks and manufacturing facilities.

The forecast period (2025-2033) promises substantial expansion across various infrastructure segments. The transportation infrastructure segment is projected to experience particularly strong growth due to planned expansions in national highway networks, metro rail systems, and airport infrastructure. Manufacturing infrastructure will benefit from the "Make in India" initiative, attracting investments in industrial parks and manufacturing facilities. The forecast period (2025-2033) promises substantial expansion across various infrastructure segments. The transportation infrastructure segment is projected to experience particularly strong growth due to planned expansions in national highway networks, metro rail systems, and airport infrastructure.

Manufacturing infrastructure will benefit from the "Make in India" initiative, attracting investments in industrial parks and manufacturing facilities.

Infrastructure engineering Industry overview

Infrastructure engineering is undergoing a revolutionary shift, from being a supporting foundation to a genuine strategic enabler for companies worldwide. We are seeing an accelerating demand for cloud-native models, automation through Infrastructure as Code (IaC), and a strong emphasis on reliability. One of the key drivers of this change is Site Reliability Engineering (SRE), which employs a software engineering discipline to introduce operations, so that our digital infrastructure is not operational but always up, responsive, and scalable. No longer does it take server management alone; it's about developing fault-tolerant, auto-repair systems that underlie all cutting-edge apps and services, keeping them running smoothly and reliably, so businesses can thrive in a world going digital at breakneck speeds.

Stone crushing industry overview

The India crushed stone mining market import shipments witnessed a robust CAGR from 2020-2024. The growth rate between 2023 and 2024 accelerated significantly, indicating a period of rapid expansion. The market displayed strong momentum and a clear upward trend during the specified period.

The India crushed stone mining market is witnessing significant growth as the construction and infrastructure industries utilize crushed stones as essential materials. This market's outlook is driven by factors such as the increasing demand for crushed stones in road construction, building foundations, and concrete aggregates, the growth of the construction sector, and the adoption of crushed stones for their strength and durability. Additionally, the development of advanced crushing and mining technologies and the rising focus on sustainable construction materials are further contributing to market growth. The market overview suggests a positive outlook for the India crushed stone mining market, with opportunities for mining companies to cater to the construction and infrastructure sectors.

Mining Industry overview

In the Union Budget 2025-26 presented by the Union Minister of Finance and Corporate Affairs Smt Nirmala Sitharaman today, Mining has been identified along with five other domain areas, namely Taxation; Power Sector; Urban Development; Financial Sector; and Regulatory Reforms, for transformative reforms, which will augment India's growth potential and global competitiveness during the next five years.

The budget has also announced the elimination of customs duty on several scrap items, which will promote the recycling industry in the country. The elimination of copper, brass, lead and zinc scraps will benefit the domestic secondary producers by reducing their costs. This will also provide a level playing field vis-à-vis international secondary producers, and enable Indian players to compete globally and increase exports of secondary/downstream products. Duty elimination on scraps of 12 critical minerals (including copper), cobalt powder and lithium ion battery scrap will provide feedstock to the critical mineral recycling industry at a lesser cost, making this industry more competitive, and also promote investments in newer capacity.

Equipment leasing industry overview

The India Construction Equipment Rental Market is expected to register a CAGR of 5.10% during the forecast period. Infrastructure development and automation in construction and manufacturing have significantly fueled market growth. Recent road development programs by central and state governments have driven notable expansion in the road construction machinery market. Due to high equipment and maintenance costs, there's been a surge in renting or leasing construction equipment. Beyond cost savings, renting offers additional advantages: rental companies not only provide the machinery but also include professional operators and drivers in the rental agreement. Construction contractors prefer renting machinery for short-term applications over purchasing, as it ensures optimal machinery utilization. India is currently home to approximately 1,263 ongoing construction projects spanning sectors like power, roads, railways, telecom, and shipping. Furthermore, with rising demand for office spaces in tier 1 and 2 cities, the appetite for rental construction equipment in India is set to grow during the forecast period.

Material Handling Segment Emerges as the Largest Segment Material handling equipment, especially cranes, plays a pivotal role in India's construction and infrastructure projects, making it the dominant segment in the country's construction equipment rental market. India's ambitious mega infrastructure projects, including the Bullet Train, Central Vista, and dedicated freight corridors, are set to reshape the nation by 2030. These initiatives, requiring extensive crane and heavy machinery use for construction and logistics, will drive a surge in demand for material handling equipment.

Given the scale and extended timelines of these projects, there's not only a need for high-capacity cranes but also a consistent demand for rental material handling equipment. As these mega projects roll out across sectors like transportation and urban development, they promise to keep the equipment rental market thriving. With rising investments in both residential and commercial sectors, coupled with proactive measures from the Indian government, the country's construction sector is poised for significant growth.

OPPORTUNITY AND THREATS

Opportunities:

- **Policy Support and Public Investments:** Government initiatives such as the PM Gati Shakti National Master Plan, increased CAPEX allocation, and the public-private partnership (PPP) model are creating robust opportunities in the infrastructure sector.
- **Coal Mining Reforms:** Reforms aimed at increasing domestic coal production and allowing commercial mining present new business opportunities in the mining segment.
- **Growing Demand for Infrastructure Services:** Rapid urbanization and industrialization are driving demand for infrastructure engineering consultancy and construction services.
- **Equipment Leasing Demand:** Increasing project sizes and capital intensity of infrastructure development projects is fueling demand for modern equipment leasing.

Threats:

- **Commodity Price Volatility:** Fluctuations in prices of steel, cement, and fuel driven by global geopolitical tensions and supply chain disruptions pose a risk to cost management.
- **Regulatory Compliance:** The Company is subject to stringent regulatory and environmental norms, which may affect project timelines and increase operational costs.
- **Project Delays and Execution Risk:** Delays due to land acquisition, permit approvals, or labor shortages continue to be a challenge in large infrastructure projects.

COMPANY OVERVIEW

Sobhagya Mercantile Limited ("SML"), incorporated in 1983 and listed on the BSE, is a diversified infrastructure and resources Company with operations spanning infrastructure construction, engineering consultancy, mining, equipment leasing, material production, and steel manufacturing. The Company has established a strong presence across both public and private sector projects, supported by modern equipment, advanced technology, and a skilled workforce.

Its Infrastructure Construction division focuses on executing large-scale road and highway projects, particularly under the Hybrid Annuity Model, while the Infrastructure Engineering segment delivers end-to-end consultancy services, including Detailed Project Reports and Project Management Consultancy, for sustainable and high-impact developments. In Material Production and Supply, SML operates a fully functional stone-crushing unit supplying high-quality aggregates for infrastructure projects.

The Company is preparing to commence operations at the Marki Mangli-IV coal block, further diversifying into energy-linked mining services. Through its Equipment Leasing business, SML offers a fleet of globally compliant construction and mining machinery, enabling clients to meet project needs without heavy capital outlay. In steel manufacturing, SML is developing an integrated steel plant in Gadchiroli, Maharashtra, granted Mega Project status by the Government of Maharashtra, aimed at producing high-grade construction and industrial steel to strengthen its value chain and capture growth in India's expanding steel market.

With a track record of timely execution, financial resilience, and sectoral diversification, SML is strategically positioned to leverage India's infrastructure growth momentum, driven by sustained government capital expenditure, rising private participation in mining, increasing demand for leasing solutions, and strong prospects in the steel sector.

Strengths:

Established Industry Presence: With a legacy since 1983, Sobhagya Mercantile Limited (SML) is a recognized player in the infrastructure and allied engineering sectors, offering end-to-end services across construction, mining, and equipment leasing.

Diverse Service Portfolio: The Company offers integrated solutions through infrastructure engineering, project execution, and equipment leasing, giving it a competitive edge in addressing complex client needs.

Technological Capabilities: SML leverages advanced machinery, robust distribution networks, and skilled human capital to deliver high-quality, timely project execution.

Proven Execution Capability: The Company's successful completion of multiple road infrastructure projects underscores its competence in delivering on large-scale contracts across India.

Projects:

1. NAG 182 Road Project – Chandrapur District, Maharashtra

Executed under the Hybrid Annuity Model, this project covers 73.545 km, connecting key locations such as Chimur, Talodhi, Neri, Madanapur, Ukkudapar, Parwa, Warora, and Armori. The project aims to improve regional road infrastructure and enhance last-mile connectivity.

2. NAG 167 Road Project – Chandrapur District, Maharashtra

Comprising multiple sub-projects, including Surbodi–Paharani–Brahman Road (29.08 km), Govindpur–Mangrul–Kitadi–Chindhichak (9.46 km), and Neri–Jambhulghat–Bhisi Road (18.22 km), this package totals 56.76 km and strengthens intra-district connectivity.

3. NAG 176 Road Project – Chandrapur District, Maharashtra

Spanning approximately 95 km, this package includes stretches such as Bahmni Adegaon, Khatkheda–Malewada, Navtala–Dongargaon, Shivra Doma, Satgaon–Bhiwapur, Chaklohara–Chikhala, and Wadhona–Girgaon. The project supports efficient transportation and economic development in the region

FINANCIAL ANALYSIS

Particulars	FY23	FY24	FY25
Revenue from Operations	10880.5	11523.75	15728.42
Other Income	327.51	486.86	312.3
Total Revenue	11208.01	12010.6	16040.7
EBITDA	1577.24	1316.03	2240.27
Profit Before Tax	1439.46	1572.85	2384.12
Tax Expenses	366.7	414.59	831.04
Profit After Tax	1072.77	1158.26	1553.08

RATIOS

Profitability Ratios	FY23	FY24	FY25
EBITDA Margins	13.68%	11.42%	14.24%
Net Profit Margins	9.86%	10.05%	9.87%
Growth Ratios			
Revenue from Operation	63.48%	5.91%	36.49%
EBITDA	9.65%	9.26%	70.23%
EBT	10.28%	9.27%	51.58%
Net Profit	-2.11%	7.97%	34.09%
Return Ratios			
Return on Equity	35.50%	27.98%	24.44%
Return on Capital Employed	40.05%	32.71%	28.76%

Efficiency Ratios			
Fixed Asset Turnover Ratio	90.61	76.83	128.32
Debtors Turnover Ratio	3.48	3.28	2.12

Note: Refer to Standalone Financial Statements in this Integrated Annual Report for detailed schedules and notes.

EBITDA Margins

The increase in EBITDA margins is primarily due to improved operational efficiency, better cost control measures, and a higher proportion of revenue from projects with favourable margin

Net Profit Margins

The decrease in Net Profit margin is primarily due to higher interest and Tax expenses, as well as an increase in indirect costs during the period.

Revenue from Operation

The increase in the revenue growth rate is primarily driven by a higher volume of project execution, timely billing, and on boarding of new contracts during the period.

EBITDA

The increase in the EBITDA growth ratio is primarily attributed to higher revenue from project execution, improved operational efficiency, and effective cost management.

EBT

The increase in the EBT growth ratio is primarily due to improved operating performance, driven by higher revenue and better cost efficiency.

Net Profit

The increase in the net profit growth ratio is largely due to better project mix yielding higher margins, disciplined expense management, and enhanced productivity across operations

Return on Equity

The decrease in ROE is primarily due to an increase in shareholders' equity.

Return on Capital Employed

The decrease in ROCE is primarily due to an increase in shareholders' equity.

Fixed Asset Turnover Ratio

The increase in the fixed asset turnover ratio is primarily driven by higher sales revenue generated from better utilization of existing fixed assets.

Debtors Turnover Ratio

The decrease in debtor turnover ratio is due to slower collections combined with an increase in sales.

INDEPENDENT AUDITORS' REPORT

To the Members of,
Sobhagya Mercantile Limited.
Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Sobhagya Mercantile Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2025, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income and changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors in the financial results.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 Auditors' 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 (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2" to this report;
 - B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The respective management of the Company, to the best of its knowledge and belief, as disclosed in the Note 51 to the financial statements, no funds other than as disclosed in the notes to the accounts have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective management of the Company, to the best of its knowledge and belief, as disclosed in the Note 51 to the financial statements that no funds other as disclosed in the notes to the accounts have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that can cause us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. In our opinion, based on information and explanation provided to us dividend neither declared nor paid during the year by the Company is in compliance with section 123 of the Companies Act 2013.
 - vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01st April, 2023. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- B)
- With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Joshi & Shah

Chartered Accountants

Firm Registration No. - 144627W

Sd/-

Jaydip Joshi

Partner

Membership No. 170300

UDIN: 25170300BMKVFM9297

Place: Mumbai

Date: 16th May, 2025

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAYGYA MERCANTILE LIMITED for the year ended on March 31st 2025]

- | | |
|---|---|
| <p>i. In respect of the Company's Property, Plant and Equipment and Intangible asset:</p> <p>i. (A) The Company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) The Company is maintaining proper records showing full particulars of intangible assets;</p> <p>b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years of physically verifying the Property, Plant and Equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.</p> <p>iii. c) The Company does not own immovable properties. Hence, the reporting under clause i(c) is not applicable.</p> <p>d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, Plant and Equipment and intangible assets during the year.</p> <p>e) According to information and explanations given to us^{iv.} and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending^{v.} against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.</p> | <p>a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.</p> <p>b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets during the year. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.</p> <p>In our opinion and according to information and explanation given to us, the Company has not made investments in firms, companies, limited liability partnership or any other entities. The Company has not provided any guarantee or security to Company, firms, limited liability partnership or any other parties during the year. The Company has granted loans and advances in the nature of loans, unsecured, to companies, during the year, in respect of which the requisite information is below:</p> <p>a)Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans to any other entity as below:</p> |
|---|---|

Sr No	Particulars	Amount (Rs. in lakhs)
1.	Related Parties in which directors are interested	5,028.07
2.	Other Parties	-
	Total	5,028.07

b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, and conditions of the advances in the nature of loans provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment has not been stipulated but they are repayable on demand.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

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

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans:

Particulars	Related Parties (Rs. in lakhs)
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	5,028.07
- Agreement does not specify any terms or period of Repayment (B)	-
Total (A+B)	5,028.07
Percentage of loans/advances in nature of loan to the total loans	100%

(iv) In our opinion and according to the information and explanations given to us and basis on the examination of records of the Company, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investment made and loans given by the Company, in our opinion have been complied with.

(v) The Company has not accepted any amounts which are deemed to be deposits. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii) a) According to information and explanation given to us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service tax, Provident fund, Employees' state Insurance, income-tax, goods and service Tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable except the below:

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs. In lakh)	Period
1.	Income Tax Act	Tax Amount	606.92	FY 2023-24

- ii. According to the information and explanation given to us, there are no dues of Income tax, Goods and Service Tax, which have been outstanding on account of any dispute except the following case:

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs. In lakh)	Period	Forum where dispute is pending
1.	Income Tax Act	Interest Amount	42.55	FY 2023-24	CIT (A)

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax, 1961 (43 of 1961).

- (ix) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the

pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

- (x) a) The Company has raised moneys by way of Right Issue of 81,60,000 equity shares at ₹21 per share, aggregating ₹1,713.60 lakhs. We report that money raised by way of rights issue of equity shares during the year have been applied by the Company for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer/ further public offer through debt instruments during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

- (xi) a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) We have neither come across any instance of whistleblower complaints nor have we been informed of such case by the management.

- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us and based on examination of records, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- (xiv) (a) Company has Internal Audit System in place and it is in commensurate with the size and nature of the business of Company. No material discrepancy was observed in the Internal Audit Report provided to us.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

- (xv) According to the information and explanations given to us and based on examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

- (xvii) The Company has not incurred cash losses during the financial year and in the immediately preceding financial year. Accordingly, clause 3(xvii) of the Order is not applicable.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) In our opinion and according to the information and explanations given to us, there is unspent amount of Rs. 6.78 lakhs under sub-section (5) of section 135 of the Companies Act, 2013. The Company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.
- b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.
- (xxi) In our opinion, the financial statements are standalone; Hence, paragraph 3(xxi) is not applicable.

For Joshi & Shah

Chartered Accountants
Firm Registration No. - 144627W
Sd/-

Jaydip Joshi

Partner

Membership No. 170300
UDIN: 25170300BMKVFM9297

Place: Mumbai

Date: 16th May, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAYGYA MERCANTILE LIMITED on the financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sobhaygya Mercantile Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

For Joshi & Shah

Chartered Accountants
Firm Registration No. - 144627W

Sd/-

Jaydip Joshi

Partner

Membership No. 170300

UDIN: 25170300BMKVFM9297

Place: Mumbai

Date: 16th May, 2025

BALANCE SHEET

as on 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
(I) ASSETS			
(1) Non-current assets			
(A) Property, Plant & Equipment	4a	110.17	134.97
(B) Capital Work in Progress		-	-
(C') Investment Property		-	-
(D) Goodwill		-	-
(E') Other Intangible Assets	4a	3.55	8.85
(F) Intangible Asset under Development	4a	88.15	88.15
(G) Biological Asset other than Bearer Plant	4b	5.01	15.02
(H) Financial Assets			
(i) Investments	5	17.88	12.84
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Others		-	-
(I) Deferred Tax Assets (Net)	6	243.04	4.21
(J) Other Non-Current Asset		-	-
(2) Current assets			
(a) Inventories	7	195.15	190.29
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Recivables	8	10,724.12	1,911.31
(iii) Cash and cash equivalents	9	4.79	162.47
(iv) Bank Balance other than (iii)	10	132.63	132.63
(v) Other Financial Asset	11	56.24	99.17
(vi) Loans	12	5,028.07	5,262.12
(vii) Others		-	-
(c) Current Tax Asset (Net)		-	-
(d) Other current Asset	13	646.32	678.10
Total Assets		17,255.12	8,700.13
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	840.00	24.00
(b) Other Equity	15	7,151.62	4,695.95
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	8.14	39.55
(ii) Trade Payable			
- Total Outstanding dues of MSMEs		-	-
- Total Outstanding Dues of Other Than MSMEs		-	-

(iii) Lease Liabilities	17	-	5.71
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)	18	-	-
(d) Other Non-Current Liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	649.27	1,326.02
(i a) Lease Liabilities	20	5.71	10.39
(ii) Trade Payable	21		
- Total Outstanding Dues of MSMEs		2,867.43	830.23
- Total Outstanding Dues of Other Than MSMEs		4,138.38	1,210.74
(iii) Other Financial Liabilities-Lease Liabilities	22		
(b) Other Current Liabilities	23	690.09	140.18
(c) Provisions	24	895.48	417.36
(d) Current Tax Liabilities		-	-
Total Equity and Liabilities		17,255.12	8,700.13

Significant Accounting policies

3

See accompanying notes to standalone financial statements

As per our report of even date

For Joshi & Shah

Chartered Accountants

**For and on behalf of the Board of Directors of
Sobhagya Mercantile Limited**

Sd /-

Jaydip Joshi

Partner

M No: 170300

Place: Mumbai

Date: 16th May, 2025

Sd /-

Shrikant Bhangdiya

Managing Director

DIN: 02628216

Sd/-

Anil Khawale

Chief Financial Officer

Place: Nagpur

Date: 16th May, 2025

Sd /-

Sonal Bhangdiya

Director

DIN: 03416775

Sd/-

Shalinee Singh

Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from Operations (Net)	25	15,728.42	11,523.75
II Other Income	26	312.30	486.86
III TOTAL INCOME		16,040.73	12,010.61
IV. Expenditure			
Cost of Materials consumed	27	5,707.28	4,104.93
Purchase of Stock-in-Trade		-	-
Changes in inventory of finished goods, work-in-progress and Stock-in trade	28	(4.86)	(104.76)
Employee benefit expenses	29	437.20	265.39
Finance Cost	30	102.94	176.62
Depreciation & Amortization	4a & 4b	65.51	53.42
Power and Fuel Charges	31	1,477.15	1,386.64
Machinery Hire Charges	32	1,309.40	1,014.29
Sub Contract Charges	33	2,079.66	1,025.64
Other Expenses	34	2,482.32	2,515.60
TOTAL EXPENDITURE		13,656.61	10,437.77
V. Profit before Exceptional & Extraordinary items & tax		2,384.12	1,572.85
VI Add/(less) exceptional items		-	-
VII Profit Before Tax		2,384.12	1,572.85
Tax Expense:			
VIII Current Tax		1,069.87	418.35
Deferred Tax		(238.83)	(3.76)
IX. Profit /(Loss) for the year		1,553.08	1,158.26
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		5.04	3.36
(ii) Income tax relating to items that will not be reclassified			
X 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			
Total Comprehensive Income for the Period			
XI (Comprising Profit / Loss)and Other Comprehensive Income for the Period		1,558.12	1,161.63
X. Earnings per Equity Share			
Basic		21.80	484.01
Diluted		21.80	484.01

As per our report of even date

For Joshi & Shah

Chartered Accountants

For and on behalf of the Board of Directors of

Sobhagya Mercantile Limited

Sd /-

Jaydip Joshi

Partner

M No: 170300

Place: Mumbai

Date: 16th May, 2025

Sd /-

Shrikant Bhangdiya

Managing Director

DIN: 02628216

Sd/-

Anil Khawale

Chief Financial Officer

Place: Nagpur

Date: 16th May, 2025

Sd /-

Sonal Bhangdiya

Director

DIN: 03416775

Sd/-

Shalineer Singh

Company Secretary

STATEMENT OF CASH FLOW

For the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	31 st March, 2025	31 st March, 2024
A. Cash flow from operating activities:		
Net Profit before tax as per Profit And Loss A/c	2,384.12	1572.85
Adjusted for:		
Other comprehensive income	-	-
Depreciation	65.51	53.42
Interest Expenses	102.94	176.62
Miscellaneous Expenses	(24.83)	
Operating Profit Before Working Capital Changes	2,527.75	1,806.25
Adjustments for Working Capital Changes:		
Decrease/(Increase) in Inventories	(4.86)	(104.76)
Decrease/(Increase) in Trade Receivables	(8,812.81)	3,209.25
Decrease/(Increase) in Other Current Assets	31.78	(326.47)
Increase/(Decrease) in Financial Assets	42.93	104.52
Increase/(Decrease) in Loans	234.05	(2,664.56)
Increase/(Decrease) in Current Tax Assets	(238.83)	(3.76)
Increase/(Decrease) in Trade Payables	4,973.83	(1,798.32)
Increase/(Decrease) in Other Current Liability	549.86	32.32
Increase/(Decrease) in Short Term Provision	478.12	(151.84)
Increase/(Decrease) in Short Term Borrowings	(676.75)	692.84
Increase/(Decrease) in Bank Balance other than cash and cash equivalents	-	40.92
Increase/(Decrease) in Lease Liability	(4.68)	0.94
Cash Generated From Operations	(3,427.35)	(968.90)
Direct Tax Paid	(831.04)	414.60
Net Cash Flow from/(used in) Operating Activities:	(1,730.64)	419.39
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(0.57)	(68.16)
Proceeds from Sale of Investment in Firm		
Profit/Loss from Capital Firm	-	-
Increase in Value of Share		
Movement in Loans & Advances		
Net Cash flow from Investing Activities:	(0.57)	(68.16)
C. Cash Flow from Financing Activities:		
Proceeds of Short Term Borrowing		
Issuance of Equity Shares	816.00	
Increase of Security Premium Account	897.60	
Long Term Lease Liabilities	(5.71)	(10.39)
Long Term Borrowing	(31.42)	(5.50)
Interest Expense	(102.94)	(176.62)
Net Cash Flow from/(used in) Financing Activities	1,573.53	(192.51)

Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(157.88)	158.72
Cash & Cash Equivalents As At Beginning of the Year	162.47	3.75
Cash & Cash Equivalents As At End of the Year	4.79	162.47
Components of Closing Cash & Cash Equivalent	-	-
Bank Balances & Cash on Hand	4.79	162.47

As per our report of even date

For Joshi & Shah

Chartered Accountants

For and on behalf of the Board of Directors of

Sobhagya Mercantile Limited

Sd /-

Jaydip Joshi

Partner

M No: 170300

Place: Mumbai

Date: 16th May, 2025

Sd /-

Shrikant Bhangdiya

Managing Director

DIN: 02628216

Sd/-

Anil Khawale

Chief Financial Officer

Place: Nagpur

Date: 16th May, 2025

Sd /-

Sonal Bhangdiya

Director

DIN: 03416775

Sd/-

Shalinee Singh

Company Secretary

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	Equity Share Capital	Reserves and Surplus				Other Equity Instruments through Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings		
Balance as at 31st March, 2023	24.00	-	-	-	3,563.17	(1.86)	3,534.31
Changes during the year							-
Comprehensive income (Net) for the year						3.36	3.36
Earlier year Provision							-
Profit / (Loss) for the year					1,158.28		1,158.28
Balance as at 31st March, 2024	24.00				4,965.95	(1.86)	4,965.95
Changes during the year	816.00		897.60				897.60
Comprehensive income (Net) for the year						5.04	5.04
Earlier year Provision							-
Profit / (Loss) for the year					1,553.04		1,553.04
Balance as at 31st March, 2025	24.00		897.60		6,247.48	6.54	7,151.62

As per our report of even date

For Joshi & Shah

Chartered Accountants

For and on behalf of the Board of Directors of

Sobhagya Mercantile Limited

Sd /-

Jaydip Joshi

Partner

M No: 170300

Place: Mumbai

Date: 16th May, 2025

Sd /-

Shrikant Bhangdiya

Managing Director

DIN: 02628216

Sd/-

Anil Khawale

Chief Financial Officer

Place: Nagpur

Date: 16th May, 2025

Sd /-

Sonal Bhangdiya

Director

DIN: 03416775

Sd/-

Shaline Singh

Company Secretary

Segment Information

for the period ended on 31st March, 2025

(₹ in Lakhs)

Particulars	As of March 31 ,2025	As of March 31 ,2024
<u>Segment Value of Sales and Services</u>		
Engineering Segment	9,908.24	3,548.36
Metal Sale (Stone Crusher) Segment	5,820.19	7,975.39
Gross Value of Sales & services	15,728.43	11,523.75
Less: Inter Segment Transfer value of Sales and Services	-	-
Less: GST Recovered	-	-
Revenue from operations	15,728.43	11,523.75
<u>Segment Results (EBDITA)</u>		
Engineering Segment	2,551.74	366.52
Metal Sale (Stone Crusher) Segment	1,849.85	2,398.78
Total Segment Profit before Interest, Depreciation, Tax and Amortization	4,401.59	366.52
<u>Segment Results (EBIT)</u>		
Engineering Segment	2,551.74	366.52
Metal Sale (Stone Crusher) Segment	1,849.85	2,345.36
Total Segment Profit before Interest and Tax	4,401.59	2,711.88
(i) Finance cost	(73.98)	(176.62)
(ii) Other Income	312.30	486.86
(iii) Other Unallocable Expenses	(2,255.80)	(1,449.27)
Profit Before Tax	2,384.11	1,572.85
(i) Current Tax	1,069.87	418.35
(ii) Deferred Tax	(238.83)	(3.76)
Profit After Tax	1,553.07	1,158.26
<u>Segment Asset</u>		
Engineering Segment	7,746.78	1,480.64
Metal Sale (Stone Crusher) Segment	3,235.69	715.07
Unallocable Assets	6,272.65	6,504.42
Total Segment Asset	17,255.12	8,700.13
<u>Segment Liabilities</u>		
Engineering Segment	3,756.02	1,238.49
Metal Sale (Stone Crusher) Segment	2,249.99	574.74
Unallocable Liabilities	3,262.02	2,166.99
Total Segment Liabilities	9,268.03	3,980.22

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 1 - Reporting entity

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

Note 2 A - Basis of preparation of Financial Statements

Statement of compliance

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

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

Note 2 B - Functional and presentation currency

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

Note 2 C - Basis of measurement

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

Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

or the most advantageous market must be accessible by the Company.

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

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

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 2 D -Use of estimates and judgments

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

Judgements

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes: Note 4 - useful life of property, plant and equipment

Note 3 - Significant accounting policies

Note 3 A - Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalized borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of

property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

ii) Subsequent expenditure

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

iii) Depreciation

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

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

Asset	Useful Life
Plant and Equipment	7.5 – 15 years
Motor Vehicles	8 Years
Furniture and Fixtures	10 years
Office equipment	5 Years
Buildings	30 - 60 years
Leasehold Land	Lease Period

** Freehold Land is not Depreciated*

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

(iv) Capital work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

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.

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

b) Impairment

i) Financial Assets

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

ii) Non- Financial Assets

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

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

c. Leases:

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

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

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

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

d. Inventories:

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable. Work-in-progress is valued at input material cost plus conversion cost as applicable. Finished goods and stock-in-trade are valued at the lower of net realizable value and cost, computed on a moving weighted average basis.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

e. Financial Instruments

Note i) - Recognition and initial measurement

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

Note ii) - Classification and subsequent measurement

Financial assets

Financial assets carried at amortized cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

iii. De-recognition

Financial assets

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value.

The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Statement of Profit and Loss.

iv. Offsetting

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

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

f. Revenue recognition

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

(i) Sale of goods and Services:

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

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

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

g. Income tax

Income tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it

relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

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

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

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

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

h. Borrowing costs

For the year ended March 31, 2025

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

i. Provisions and contingent liabilities

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

j. Employee benefits

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

k. Cash and cash equivalents

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

l. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity

shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

m. Cash flow statement

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

n. Foreign Exchange Transactions

a) Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of Transactions. Exchange fluctuations between the transaction date and the settlement date in respect of Revenue Transactions are recognized in Profit & Loss Account.

b) All export proceeds not realised at the year-end are restated at the rate prevailing at the year end. The exchange difference arising there from has been recognised as income / expenses in the Current Year's Profit & Loss A/c along with underlying transaction.

c) The premium or discount arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or as expense for the year. None of the forward exchange contracts are taken for trading or speculation purpose.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 4a: Fixed Asset Schedule

(₹ in Lakhs)													
Block No		Rate (%)	Gross Block				Depreciation				Net Block		
			As on	Addition/	As on	As on	For The	Adjustment	As on	Sale	Adjustment	As on	As on
			01.04.2024	Deduction	31.03.2025	01.04.2024	period	for sale	31.03.2025	Amount		31.03.2025	01.04.2024
I	<u>Property, Plant & Equipment</u>		368.74	0.57	369.31	145.62	47.50	-	193.12	-	22.13	198.31	223.12
A	Plant & Machinery		198.33	0.42	198.75	129.12	37.97	-	167.09	-	22.29	53.95	69.21
										-	-		
1.00	Conveyor Belts	0.22	0.29		0.29	0.19	0.05	-	0.25		0.03	0.07	0.09
2.00	Crusher Herqlis Rock Breaker HQ	0.22	9.50		9.50	6.30	1.76	-	8.06	-	1.05	2.49	3.20
3.00	Crusher Plant and paver	0.22	71.27		71.27	47.90	13.15	-	61.05	-	7.97	18.19	23.37
4.00	Electrical Fitting & Installation	0.26	33.28		33.28	23.84	7.10	-	30.94	-	4.61	6.95	9.43
5.00	Electrical Motors	0.26	0.33		0.33	0.24	0.07	-	0.31	-	0.05	0.06	0.09
6.00	Tools and Equipments	0.45	1.08		1.08	0.79	0.27	-	1.06	-	0.14	0.17	0.29

NOTES TO FINANCIAL STATEMENTS-

For the year ended 31st March, 2025

7.00	Weigh Bridge	0.22		0.22	3.00	0.82	-	3.82	-	0.50	1.14	1.46	
8.00	Paver and Roller	0.22		0.22	45.35	14.12	-	59.47	-	7.68	23.21	29.65	
9.00	Hydraulic roll cleaning broomer	0.22		0.22	0.77	0.27	-	1.03	-	0.13	0.49	0.63	
10.00	Pipe-Compresure FB	0.22		0.22	0.48	0.18	-	0.66	-	0.08	0.30	0.40	
11.00	Groove Cutter Machine	0.22		0.22	0.25	0.16	-	0.41	-	0.04	0.48	0.60	
12.00	Auto Level	0.22	-	0.42		0.02	-	0.02	-	-	0.40	-	
B	Office Euipments		9.42	-	9.42	5.36	1.65	-	7.02	-	(1.27)	1.14	4.05
1.00	CC TV Installation	0.45	-	0.45	0.75	0.16	-	0.92	-	0.08	0.11	0.19	
2.00	Invertor & Batteries	0.45	-	0.45	0.80	0.02	-	0.82	-	-	0.04	0.06	
3.00	Ac and Led TV	0.22	-	0.22	3.81	1.47	-	5.28	-	(1.35)	0.99	3.80	
							-						
C	Vehicles		-	67.86	67.86	6.37	7.80	14.17	-	0.87	54.56	61.50	
	Kia Car	-	-	67.86	67.86	6.37	7.80	14.17	-	0.87	54.56	61.50	

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

D	Computer & Peripherals		4.98	0.15	5.13	4.76	0.07	-	4.84		0.24	0.53	0.22
1.00	Computer	0.63	4.98	0.15	5.13	4.76	0.07	-	-		0.24	0.53	0.22
II	<u>Intangible Assets</u>		88.15	-	88.15	-	-	-	-		-	88.15	88.15
1.00	Coal Mining Licence		88.15	-	88.15	-	-	-	-		-	88.15	88.15
F	<u>Other Intangible Assets</u>		41.85	-	41.85	33.00		-	41.00		2.70	3.55	8.86
	Software		41.85	-	41.85	33.00		-	41.00		2.70	3.55	8.85
			402.52		411.15	178.62		-	-		24.83	201.86	231.97

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

4b: Leases

(i) Amount recognised the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

Particulars	31.03.2025	31.03.2024
Right of use assets		
Land**	60.09	60.09
Building	-	-
Accumulated depreciation	55.09	45.07
Total	5.01	15.02
Lease Liabilities		
Current*	5.71	10.39
Non current	-	5.71
Total	5.71	16.10

****The Company has taken land on lease at Umred in Nagpur District to operate a stone crusher, which it is managing independently. On adoption of Ind AS 116 same has been classified as Right-to-Use Assets.**

(ii) Amount recognised in the Statement of Profit and Loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	31.03.2025	31.03.2024
Depreciation charge of right of use assets debited to Statement of Profit & Loss	10.02	10.02
Expenses relating to short term leases (included in other expenses)	-	-
Total	10.02	10.02

****The Company has taken land on lease at Umred in Nagpur District to operate a stone crusher, which it is managing independently. On adoption of Ind AS 116 same has been classified as Right-to-Use Assets.**

(ii) Amount recognised in the Statement of Profit and Loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	31.03.2025	31.03.2024
Depreciation charge of right of use assets debited to Statement of Profit & Loss	10.02	10.02
Expenses relating to short term leases (included in other expenses)	-	-
Total	10.02	10.02

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 5: Non-Current Investments

(₹ in Lakhs)

NON-CURRENT INVESTMENTS	Face Value (Rs.)	As at March 31, 2025 Quantity Nos.	Rs.	As at March 31, 2024 Quantity Nos.	Rs.
Other Investments					
Investment measured at fair value through other comprehensive income					
In Equity Shares - Quoted, Fully paid up					
Arvind Limited (Formerly Arvind Products Ltd.)	10	90	0.10	90	0.10
Arvind Fashions Ltd.	4	18	0.05	18	0.05
(Issued 1 share for 5 share of Arvind Ltd.)		-	-	-	-
Anveshan Heavy Engg Ltd (The Anup Engg. Ltd.)	10	3	0.02	3	0.02
(issued 1 share for 27 shares of Arvind Ltd.)		-	-	-	-
Arvind Smartspaces Limited	10	9	0.02	9	0.02
GSL Securities Limited	10	39,200	2.41	39,200	2.41
ICICI Bank Limited	2	55	0.41	55	0.41
Jai Prakash Associates Limited	2	7,500	0.62	7,500	0.62
BPCL	10	264	0.95	264	0.95
(Issued in lieu of 100 shares of Kochi Refinery Ltd.)		-	-	-	-
Orkay Industries Limited	10	550	-	550	-
Steel Authority of India Limited	10	5,500	5.42	5,500	5.42
Total Quoted Equity Shares			10.00		10.00
			.		.
In Equity Shares - Unquoted, Fully paid up		-	-	-	-
Total Non-Current Investments			10.00		10.01

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Financial Assets measured at cost		
Financial Assets carried at Amortised cost	-	-
Financial Assets measured at Fair Value through Other Comprehensive Income	17.88	12.84
Financial Assets measured at Fair Value through Profit and Loss		
Total Non-Current Investments	17.88	12.84

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 6 – Deferred Tax Assets

(₹ in Lakhs)		
Particulars	As of March 31,2025	As of March 31 ,2024
Deferred Tax Assets	243.04	4.21
Total	243.04	4.21

Note 6. a – Movement of Deferred Tax Assets

(₹ in Lakhs)		
Particulars	As of March 31,2025	As of March 31 ,2024
Opening balance of Deferred Tax Asset	4.21	0.45
Net Deferred tax asset Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being depreciation loss unabsorbed during the year recognized.	238.83	3.76
Net Balance(Deferred Tax Asset)	243.04	4.21

Note 7 – Inventories at lower cost and net realizable value

(₹ in Lakhs)		
Particulars	As of March 31,2025	As of March 31 ,2024
Stock of Stone Crusher	98.29	93.47
Work in Progress (Construction)	96.87	96.83
	-	-
Total	195.15	190.29

Note 8 – Trade Receivables

Particulars	As of March 31,2025	As of March 31 ,2024
Trade Receivables (considered good)		
Secured	10,724.12	1,911.31
-Unsecured	-	-
Significant Credit risk impaired and credit impaired		
	-	-
Total	10,724.12	1,911.31

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
(i)Undisputed Trade receivables – considered goods		
Not Due		
Less than 6 month	9,917.93	1,489.39
6 month- 1 year	467.03	99.23
1 - 2 Years	179.10	322.69
2 -3 Years	160.06	-
More than 3 Years	-	-
Total	10,724.12	1,911.31

Note 9 – Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Cash on Hand	1.45	1.13
Balance with Banks :		
RBL Ltd	0.25	0.25
Bank of Maharashtra	3.09	161.08
Union Bank of India	-	-
Total	4.79	162.47

Note 10 – Bank Balance Other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
CDR with BOM	132.63	132.63
Total	132.63	132.63

Note 10 a - The Call Deposit Receipts with Bank of Maharashtra is pledged with that bank for the purpose of Bank Guarantee given to Ministry of Coal for coal mine development and production agreement in respect of Marki Mangli IV Coal Mine.The Company has issued a Bank Guarantee amounting to 884.17 Lakhs

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 11 – Other Financial Assets

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Advance to Related Parties	-	89.80
Other Loans and Advances	46.04	7.32
Interest Receivable	10.20	2.05
Total	56.24	99.17

Note 12 – Current Financial Asset - Loan

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Loan to Related Parties	5,028.07	5,262.12
Total	5,028.07	5,262.12

Type of Borrower

(₹ in Lakhs)

Particulars	Amount of Loan		Amount of Loan	
Promoters	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	5,028.07	100.00%	5,262.12	100.00%
Total	5,028.07	100.00%	5,262.12	100.00%

Note 12 a – Loan to Related Parties and Other Advances are unsecured considered good unless otherwise stated

Note 13 – Other Current Asset

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Advance To Suppliers	284.66	315.83
Receivables from Statutory Authorities	304.75	359.42
Misc. Current Asset	56.91	2.84
Total	646.32	678.09

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 14 – Share Capital

Particulars	As on 31 st March , 2025		As on 31 st March , 2024	
	Quantity No's	Rs in Lakhs	Quantity No's	Rs in Lakhs
Authorised share capital	2,00,00,000.00	2,000.00	50,00,000.00	500.00
Equity Shares of Rs. 10/- each		2,000.00		500.00
Issued Capital :				
Equity Shares of Rs. 10/- each	84,00,000.00	840.00	2,40,000.00	24.00
		840.00		24.00
Subscribed and fully paid up Capital :				
Equity Shares of Rs. 10/- each	84,00,000.00	840.00	2,40,000.00	24.00
Subscribed but not fully paid up Capital :			-	-
Equity Shares of Rs. 10/- each				
Total		840.00		24.00

Note 14.1 : Reconciliation of Equity Shares outstanding at the beginning and at the end of the year :

Particulars	As on 31 st March , 2025		As on 31 st March , 2024	
	No of Shares Held	₹ in Lakhs	No of Shares Held	₹ in Lakhs
Shares outstanding at the beginning of the year	2,40,000	24.00	2,40,000	24.00
Add : Shares issued during the year	81,60,000	816.00	-	-
Less : Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	84,00,000	840.00	2,40,000	24.00

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 14.2 : Details of Calls unpaid

Particulars	As on 31 st March , 2025		As on 31 st March , 2024	
	No of Shares Held	₹ in Lakhs	No of Shares Held	₹ in Lakhs
Equity Shares with voting rights	-	-	-	-
-By Directors	-	-	-	-
-By Officers	-	-	-	-
-By Others	-	-	-	-
Total Unpaid Calls	-	-	-	-

Note 14.3 : Terms / Rights attached to equity shares

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

During the year ended 31st March 2025, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2024 Rs. Nil)

During FY 2024–25, the company successfully completed its Rights Issue of 81,60,000 equity shares at ₹21 per share, aggregating ₹1,713.60 lakhs. The Rights Issue, proposed in FY 2023–24, was fully subscribed by eligible shareholders in the ratio of 34:1. The funds have been utilized for working capital, general corporate purposes, and issue-related expenses. Allotment was approved on May 27, 2024, with listing and trading approvals received on May 30 and May 31, 2024, respectively.

Note 14.4 : Details of Equity shareholders holding more than 5% shares of the company

Particulars	As on 31 st March , 2025		As on 31 st March , 2024	
	No of Shares Held	% of Holding	No of Shares Held	%of Holding
Manisha Maniyar	19,02,143	22.64%	14,457	6.02
Shrikant Bhangdiya	11,00,449	13.10%	25,002	10.42
Megha Bhangdiya	10,99,569	13.09%	14,457	6.02
Aarti Bhangdiya	10,99,569	13.09%	14,457	6.02
Sonal Bhangdiya	10,99,569	13.09%	14,457	6.02

Note 14.5: Shareholding of Promoters and Promoters Entity

Particulars	As on 31 st March , 2025		As on 31 st March , 2024	
	No of Shares Held	% of Holding	No of Shares Held	%of Holding
Manisha Maniyar	19,02,143	22.64%	14,457	6.02
Shrikant Bhangdiya	11,00,449	13.10%	25,002	10.42
Megha Bhangdiya	10,99,569	13.09%	14,457	6.02
Aarti Bhangdiya	10,99,569	13.09%	14,457	6.02
Sonal Bhangdiya	10,99,569	13.09%	14,457	6.00

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 15 – Other Equities

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Retained Earnings		
As Per last Balance Sheet	4,694.44	3,536.14
Add / (Less) : Earlier Year Provision	-	-
Add / (Less) : Profit/(Loss) for the year	1,553.04	1,158.27
Add / (Less) : Securities Premium	897.60	
Balance at end of the reporting period (A)	7,145.08	4,694.44
Equity instruments through other comprehensive income (FVTOCI Reserve)		
As Per last Balance Sheet	1.50	(1.86)
Add / (Less) : Movement in OCI (Net) during the year	5.04	3.36
Balance at end of the reporting period (B)	6.54	1.50
Total (A)+(B)	7,151.62	4,695.95

Note 15 – Borrowings – Non-Current

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Term Loan - From Banks		
GECL (MSME) - From Banks	-	-
Vehicle Loan	8.14	39.55
Total	8.14	39.55

16.a GECL MSME loan is sanctioned by Bank of Maharashtra with tenure of 48 Months. The Rate of Interest is 8.05% and Monthly repayment obligation is Rs 4.05. Lakhs. GECL MSME Loan is secured by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills.

16.b Vehicle loan is obtained for purchase of Motor car from ICICI Bank Limited by first charge on corresponding vehicle financed. Vehicle loan is repayable in 36 equal installment with maturity date of July 2026 and rate of interest of 8.95 %

Note 17 – Lease Liability

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Lease Liability	-	5.71

Total	-	5.71
--------------	---	-------------

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 18 – Deferred Tax Liability

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Deferred Tax Liability	-	-
Total	-	-

Note 18a – Movement in Deferred Tax Liability

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Opening balance of Deferred Tax Liability(Net)	-	-
Net Deferred tax liability Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being depreciation loss unabsorbed during the year recognized.		
Net Balance(Deferred Tax Liability)	-	-

Note 19 – Borrowing - Current

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Unsecured Loans From:-		
Related Parties	132.77	104.77
(Repayable on demand)		
Cash Credit from Bank	456.66	1,116.39
GECL (MSME from Banks)	36.79	48.70
Current Maturities of Loan term Debt	23.04	56.15
Total	649.27	1,326.02

19a – Working Capital

Working Capital Loan repayable on demand to be renewed annually and is secured in favour of Lending Bank by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares (not relating to plant and machinery),book debts, outstanding monies, receivables, claims, bills.

Note 20 – Other Financial Liabilities – Lease Liabilities

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Current Portion of Lease Liabilities	5.71	10.39
Total	5.71	10.39

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 21 – Trade Payable

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
- Total Outstanding dues of MSMEs	2,876.43	830.23
- Total Outstanding Dues of Other Than MSMEs	4,138.38	1,210.74
Total	7,014.80	2,040.97

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Undisputed dues		
Not Due		
Less than 1 Year	6,154.08	1,114.64
1 - 2 Years	90.68	561.42
2 - 3 Years	415.73	269.69
More than 3 Years	354.32	95.22
Grand Total	7,014.80	2,040.97

Note 22 – Other Financial Liabilities

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Other Liability	-	-
Total	-	-

Note 23 – Other Current Liabilities

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Statutory Dues Payables	586.24	25.45
Other Payables	103.85	114.73
Total	690.09	140.18

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 24 – Provisions

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Provision for Taxation	867.90	415.11
Other Provisions	27.58	2.25
Total	895.48	417.36

Note 23 – Revenue From Operations

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Revenue from Engineering Consultancy	8,431.40	3,548.36
Metal Sale	5,820.19	7,975.39
Machineries Hire Receipts	767.50	
Bitumen Sale	633.15	
LDO (Fuel Oil) - Sale	76.19	
Total	15,728.42	11,523.75

Note 24 – Other Income

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Misc. Receipt	312.30	26.54
Machineries Hire Receipt	-	460.31
Total	312.30	486.86

Note 27 – Cost of Material Consumed

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Cost of material purchased	5,707.28	4,104.93
Total	5,707.28	4,104.93

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 28 – Change in Inventory

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Opening stock	190.29	85.53
Closing stock	195.15	190.29
Total	(4.86)	(104.76)

Note 29 – Employee Benefit Expenses

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Salaries and wages	419.20	265.39
Gratuity Expenses	18.00	
Total	437.20	265.39

Note 30 – Finance Cost

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Interest on Loan	69.66	78.38
Interest on Statutory Due	2.70	64.91
Other Interest	1.61	2.56
Bank Charges	28.96	30.77
Total	102.94	176.62

Note 31 – Power and Fuel Cost

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Power and Fuel	1,477.15	1,386.64
Total	1,477.15	1,386.64

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 32 – Machinery Hire charges

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Machinery Hire Charges	1,309.40	1,014.29
Total	1,309.40	1,014.29

Note 33 – Sub-contract charges

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Sub Contract Charges	2,079.66	1,025.64
Total	2,079.66	1,025.64

Note 34 – Other Expenses

(₹ in Lakhs)

Particulars	As of March 31, 2025	As of March 31, 2024
Consultancy Charges for DP, Survey & Mapping	35.53	131.16
Crusher Handling Expenses	872.52	689.70
Crusher Site Expenses	293.10	198.91
Drilling & Blasting Charges	-	149.30
Royalty Expenses	-	60.33
Transportation Expense	958.71	1,142.01
Repairs and Maintenance	45.68	25.48
Professional and Legal Charges	20.10	68.11
Other Misc. Exp	253.89	48.31
Payments to auditors:-		
For Statutory Audit	2.80	2.25
For Other Services	-	0.05
Total	2,482.32	2,515.60

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 35 – Other Notes to the Financial Statements for the year ended 31st March, 2025

Contingent Liabilities Not Provided For	March 2025	31, March 2024
a. Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
b. Claims against company not acknowledge as debt	Nil	Nil
c. Outstanding liabilities as per Income Tax Act, 1962	42.55	17.76
d. Bank Guarantees	884.17	Nil

- a. The total income tax outstanding interest demand is Rs. 42.55 lakhs as on date pertains to period AY 2024-25. The assessment was carried out under section 143 read with sub section 1 of Income Tax Act, 1961.
- b. The Company has issued a Bank Guarantee amounting to 884.17 Lakhs in favor of the Nominated Authority, Ministry of Coal, in compliance with the applicable terms and conditions of the coal block allocation.

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

37. Segment Information for the period ended on 31st Mar 2025

Particulars	March 31, 2025	March 31, 2024
Segment Value of Sales and Services		
Engineering Consultancy Segment	9,908.24	3,548.36
Metal Sale (Stone Crusher) Segment	5,820.19	7,975.39
Gross Value of Sales & services	15,728.43	11,523.75
Less: Inter Segment Transfer value of Sales and Services	-	-
Less: GST Recovered	-	-
Revenue from operations	15,728.43	11,523.75
Segment Results (EBDITA)		
Engineering Consultancy Segment	2,551.74	366.52
Metal Sale (Stone Crusher) Segment	1,849.85	2,398.78
Total Segment Profit before Interest, Depreciation, Tax and Amortization	4,401.59	2,765.30
Segment Results (EBIT)		
Engineering Consultancy Segment	2,551.74	366.52
Metal Sale (Stone Crusher) Segment	1,849.85	2,345.36
Total Segment Profit before Interest and Tax	4,401.59	2,711.88
(i) Finance cost	(73.98)	(176.62)
(ii) Other Income	312.30	486.86
(iii) Other Unallocable Expenses	(2,255.80)	(1,449.27)
Profit Before Tax	2,384.11	1,572.85
(i) Current Tax	1,069.87	418.35
(ii) Deferred Tax	(238.83)	(3.76)
Profit After Tax	1,553.07	1,158.26
Segment Asset		
Engineering Consultancy Segment	7,746.78	1,480.64

Metal Sale (Stone Crusher) Segment	3,235.69	715.07
Unallocable Assets	6,272.65	6,504.42

Total Segment Asset	17,255.12	8,700.13
Segment Laibilities		
Engineering Consultancy Segment	3,756.02	1,238.49
Metal Sale (Stone Crusher) Segment	2,249.99	574.74
Unallocable Liabilities	3,262.02	2,166.99
Total Segment Liabilities	9,268.03	3,980.22

Note 38 – Disclosure requirements as per Indian Accounting Standard “Relative Party Disclosure”

Issued by the Institute of Chartered Accountants of India

List of Related Parties:

Related party in which directors are interested

Mks Constro Venture Pvt Ltd
Mahendra Construction
Mnec-Mks Jv
Balaji Stone Crusher & Infraventure Pvt.Ltd
Bramhapuri Dhanora Highway Pvt Ltd
Chimur Petgaon Highway Pvt Ltd-L & A
Kitadi Torgaon Highway Pvt. Ltd.
Mitcon Infraproject Pvt Ltd
MKS Acme Build Pvt. Ltd.
MKS Flexituff Ltd
MKS Industries
Mul Podsa Roadways Pvt Ltd-
Shankarpur Chimur Highway Pvt Ltd
Shanta Infraventure
Surbodi Bhis 167 Highway Pvt. Ltd
B. K. Buildcon
HPS Construction
R.B. Infra
MKS Multimedia Pvt Ltd
NAG HAM 182 Highway Pvt Ltd
Idc-Mahendra Jv

Key Managerial Personnel

Shrikant Bhangdiya – Managing Director
Sonal Bhangdiya – Director

Relatives of Key Managerial Personnel

Aarti Bhangdiya – Wife of Director
Kirti Kumar Bhangdiya
Mitesh G Bhangdiya

Directors are Trustees in the Trust

Bhangdiya Foundation

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

(₹ in Lakhs)

Name of the Party	Nature of Transaction	March 31,2025	March 31,2024
1. Mr. Shrikant Bhangadiya	Managerial Remuneration	60.00	60.00
2. Mrs. Sonal Kirtikumar Bhangadiya	Managerial Remuneration	12.00	12.00
3. MKS Acme Build Private Limited	Interest free loan	-	-
	- Given	-	-
	- Repayment received	-	-
	- Taken		50.00
	- Repaid	-	-
4. MKS Constro Venture Private Limited	1.Sales	14,291.96	9,471.56
	2.Purchase	-	-
	3.Loan	-	-
	- Given	716.42	1,292.47
	- Repayment received	789.14	1,125.07
	- Taken	-	-
	- Repaid	-	-
5. MKS Flexituffs Limited	Advance	-	-
	-Given	-	14.00
	-Repaid	-	14.00
6. MNEC – MKS (JV)	Sales	-	-
7. BK Buildcon	1. Share of Profit	-	-
	2. Sales	194.24	2,055.82
	3 .Loan	-	-
	- Given	-	-
	- Repayment received	-	-
8. HPS Construction	1. Sales	-	10.66
	2. Share of Profit	-	-
	3. Loan	-	-
	- Given	-	-
	- Repayment received	-	-
9. RB Infra	1. Share of Profit		-
	2. Investment Repaid		-
	3. Loan		-
	-Given		-

	-Repayment received		-
	Purchase	628.74	278.21
	Sales	445.68	1,195.85
10. Shanta Infraventure	1. Share of Profit	-	-
	3.Loan	-	-
	-Given	-	-
	-Repayment received	-	135.09
	Sales	-	-
12. Balaji Stone Crusher & Infrastructure Pvt Ltd.	Loan Given	-	-
13. Bhangdiya Foundation	Loan Given	-	-
	-Repayment received	-	-
	-CSR Donation made	2.90	
14. Shrikant Bhangdiya	Loan Given	105.00	153.00
	-Repayment received	42.00	153.00
		-	-
15. Sonal Bhangdiya	Loan	-	52.00
	-Given	-	-
	-Repayment received	-	-
18. Kirtikumar Bhangadiya	Loan	-	-
	-Given	-	-
	-Repayment received		
	2.Lease Payment	4.80	12.00
19. Bramhapuri Dhanora Highway Pvt Ltd	Loan		
	-Given	110.06	100.60
	-Repayment received	11.00	0.06
20. Chimur Petgaon Highway Pvt Ltd	Loan		
	-Given	42.02	350.23
	-Repayment received	4.20	0.02
23. Shankarpur Chimur Highway Pvt Ltd	Loan		
	-Given	126.34	1147.12
	-Repayment received	595.63	0.71
24. Mitcon Infraproject Pvt Ltd	Loan	595.63	0.71
	-Given	139.25	76.99
	-Repayment received	120.95	71.94
25. IDC Mahendra Jv	Sales	30.18	-
	Loan	-	-
	-Given	-	-
	-Repayment received	-	-

26. Mks Multimedia Pvt Ltd	Sales	-	-
	Purchase of Service	347.20	-
	Loan	-	-
	-Given	-	-
	-Repayment received	-	-
27. Mks Flexituff Ltd	Sales	-	-
	Purchase of Service	0.21	-
	Loan	-	-
	-Given	-	-
	-Repayment received	-	-
28. Nag Ham 182 Highway Pvt Limited	Sales	-	-
	Purchase of Service	-	-
	Loan	-	-
	-Given	37.01	-
	-Repayment received	-	-

Balance of related party for the year ended 31st March 2025

(₹ in Lakhs)

Related Party	Closing Balance as on 31 st March 2025	Closing Balance as on 31 st March 2024
Balance at the End of the Year		
1. Related party in which directors are interested	15,196.61	7,253.42
Loans	5,028.07	5,262.12
Receivables	9,832.56	1,884.96
Payables	306.99	16.53
Borrowing	29.00	-
Advances	-	89.80
2. Key Managerial Personnel	140.68	-
Advances	115.00	-
Salary Payable	25.68	-
3. Relatives of Directors or Directors in a Company	7.20	-
KirtiKumar Bhangdiya (Lease Liability)	7.20	-

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 39: Financial Instruments

Financial risk management objectives 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.

(₹ in Lakhs)

Particulars	March 31, 2025		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
(i) Investments – Non current	-	17.88	-
(ii) Trade Receivables			10,724.12
(iii) Cash and cash equivalents			4.79
(iv) Bank Balance other than (iii)			132.63
(v) Other Financial Asset			56.24
(vi) Loans			5,028.07
(vii) Others			-
Financial Liabilities			
(i) Borrowings			688.82
(ii) Trade Payable			4,968.61
(iii) Other Financial Liabilities			5.71

Particulars	March 31, 2025		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
(i) Investments – Non current	.	12.84	-
(ii) Trade Receivables			1,911.31
(iii) Cash and cash equivalents			162.47
(iv) Bank Balance other than (iii)			132.63
(v) Other Financial Asset			99.17
(vi) Loans			5,262.12
(vii) Others			-
Financial Liabilities			
Borrowings- Current			1,365.57
Trade payables – Current			2,040.97
Other Financial Liabilities			16.10

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 40: 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

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 15 offset by cash and bank balances) and total equity of the Company.

The Company is subject to externally imposed capital requirements.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

Particulars	As at 31 March 2025	As at 31 March 2024
Debt (i)	657.41	1,365.57
Cash and Bank Balance	(137.42)	(295.10)
Net Debt	519.99	1,070.48
Total Equity	7,991.62	4,719.95
Net debt to equity ratio	6.51%	22.68%

(i) Debt is defined as long-term and short-term borrowings, as described in note 16 & 19.

Market risk

The Company's activities expose it primarily to the financial risk of changes in interest rates.

Foreign currency risk management

The Company does not undertake any transactions denominated in foreign currencies; consequently there is no exposure to exchange rate fluctuations.

Equity risk

The company is exposed to equity risk due to its investments in listed shares. Any adverse market movement may lead to a decline in the value of these investments. This could impact the company's financial performance and net worth.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Interest risk

The company is exposed to interest rate risk on its cash credit facility from the bank. Since the borrowing carries a floating interest rate, any increase in market rates may raise the company's finance cost. This could adversely affect its profitability and cash flows.

Particulars	As at 31 March 2025	As at 31 March 2024
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	456.66	1,116.39
Derivative to hedge interest rate risks	-	-
Net Exposure	456.66	1,116.39

If the interest rate decrease/(increase) by 50 basis point, the interest expense would decrease by Rs.2.28 lakhs (increase by Rs.2.28 lakhs) (as at 31 March 2024: decrease by Rs. 5.58 lakhs (increase by Rs. 5.58 lakhs)).

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own transaction records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counter parties (refer note 8 - Trade Receivables).

Financial guarantees/Performance Guarantees

The Company has furnished a Performance Guarantee in favor of the Nominated Authority, Ministry of Coal, as a commitment to fulfill its obligations under the coal mine allocation agreement. This guarantee ensures that the Company will achieve the specified development milestones, maintain production timelines, and comply with the performance criteria stipulated by the Ministry.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

Ultimate responsibility for liquidity risk management rests with the Board of Directors which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows any by matching the maturity profiles of financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

All current financial liabilities are repayable within one year. The contractual maturity of non-current liabilities are disclosed in note no. 19 to 24

Liquidity risk table

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at 31 March 2025					
Borrowings (including interest)	522.79	8.30	-	531.09	487.84
Other financial liabilities at amort cost	5.71	-	-	5.71	5.71
Other non-current financial liabil at fair value	-	-	-	-	-
	528.51	8.30	-	536.81	493.56
As at 31 March 2024					
Borrowings (including interest)	1,202.65	74.43	-	1,277.08	524.63
Other financial liabilities at amort cost	10.39	5.71	-	16.10	16.10
Other non-current financial liabil at fair value	-	-	-	-	-
	1,213.04	80.15	-	1,293.19	540.74

Note 41: Deferred Taxes on Income

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

Particulars	As of March 31,2025	As of March 31 ,2024
Tax Reconciliations		
A. Tax expense from continuing operations		
Current Tax		
- Current period	1,069.87	418.35
- Change in estimates related to prior years	(213.64)	-
Deferred Tax	(238.83)	(3.76)
Total	617.40	414.59
Effective Tax Reconciliations		

Profit before Tax	2,384.12	1,572.85
Company's domestic tax rate	25.16%	25.16%
Tax using the Company's domestic tax rate	600.13	395.86
Adjustment in respect of income tax of prior years		
Effect of :		
Non- deductible expenses	469.80	22.50
Change in other miscellaneous items	-	-
Deduction Allowable	(213.60)	-
Deferred Tax	(238.83)	(3.76)
Total	617.40	414.59

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Opening balance of Deferred Tax Asset(Net)	4.21	0.45
Net Deferred tax Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being deprecation loss unabsorbed during the year recognized.	238.83	3.76
Total	243.04	4.21

Note 42: Disclosure as per IND AS 116

a. Right to use of assets

The right to use asset for lease assets is recognized as under:-

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
a. Gross Carrying Amount		
Opening/Recognized	60.09	60.09
Additions/Disposals	-	-
Balance as at the Year End	60.09	60.09
b. Accumulated Depreciation		
Opening	45.07	35.05
Depreciation for the year	10.02	10.02
Balance as at the Year End	55.09	45.07
c. Net carrying Amount as at the Year End	5.01	15.02

b. Lease Liability

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
a. Maturity Analysis – Contractual undiscounted Cash Flows		
Less than one year	6.00	12.00
One to five years	-	18.00
Total Undiscounted Liabilities	6.00	30.00
b. Lease Liability included in The Financial Statements		
Current	5.71	9.45
Non – Current	-	16.10
Total	5.71	25.55

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

c. Amount recognized in Profit and Loss Account

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Interest on Lease Liability	1.61	2.55

Note 43 –

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.

Note 44 –

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 and Diluted Earnings Per Share

(₹ in Lakhs)

Particulars	As of March 31,2025	As of March 31 ,2024
Net Profit Attributable to Shareholders	1,558.12	1,161.63
Weighted average number of equity shares	71,48,000	2,40,000
Nominal Value per share	10.00	10.00
Earning per share	21.80	484.01

Note 45 –

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

Note 46 –

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	As of March 31,2025	As of March 31 ,2024
(a) Amount remaining unpaid to any supplier at the end of each accounting year: Principal & Interest	Principal. 2876.39 Interest : NIL	Principal : 830.23 Interest : NIL

(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Note 47 - Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April, 2021.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 48 - Ratios

Particulars	As of March 31,2025	As of March 31 ,2024	Variance
a) Current Ratio (Current Asset/ Current Liability)	1.81	2.17	(0.16)
b) Debt Equity ratio (Total Debt/ Shareholders Equity)	0.08	0.38	(0.72)
c) Debt Service Coverage Ratio (Earnings before Interest, Tax, Depreciation & Amortisation/Interest and Principal Repayment)	8.66	25.49	(0.66)
d) Return on Equity (Profit After Tax / Average Shareholders Equity)	0.33	0.00	(0.14)
e) Inventory Turnover Ratio (Revenue from Operation / Average Inventory)	81.61	83.56	(0.02)
f) Trade Receivable Turnover Ratio (Revenue from Operations / Average Trade Receivables)	2.49	3.28	(0.24)
g) Trade Payable Turnover Ratio(Total purchases / Average Trade Payables)	2.13	1.63	0.31
h) Net Capital Turnover Ratio (Revenue from Operations / Net Working Capital)	2.09	2.53	(0.18)

i) Net Profit Ratio (Profit After Tax / Revenue from Operations)	0.10	0.00	(0.02)
j) Return on Capital Employed (Profit before tax and Interest / Capital Employed)	0.52	0.47	0.13
k) Return on Investment	NA	NA	NA

Explanation Of Variances

1. Current Ratio has Increased due to significant reduction in current liabilities.
2. Debt Equity Ratio has been increased due to increase in borrowings.
3. Debt Service Coverage ratio has reduced due to Increase in Earnings and Repayment remains same
4. Return on Equity has increased due to Increase in profit
5. Inventory Turnover has reduced due to Increase in average Inventory Holding.
6. Trade Payable Turnover Ratio has Increased due to reduction of average trade payable.
7. Net Capital Turnover Ratio has decreased due to Increase in turnover and Net working capital
8. Return on Capital employed has increased due to increase in PBIT

Note 49 - Disclosure Under Section 135 of the Companies Act: CSR

Particulars	Amount (in Lakhs)
Amount required to be spent during the year	28.78
Amount of expenditure incurred	22.01
Excess Expenditure at the end of the year	(6.78)
Total of previous year shortfall	0.00
Reason for shortfall	Certain identified CSR initiatives faced operational or implementation challenges, resulting in partial utilization of the allocated amount.
Nature of CSR Activities for Financial Year	Art & Cultural Promotion, Girl Child Birth Promotion, Women Empowerment Programme
Detail of related party transactions , contribution to trust controlled By company as per AS	Bhangdiya Foundation
Where a provision is made w.r.t.liability incurred, the movement in provision during the year should be shown separately	

Note 50: Income Tax Expense :

The Tax Expenses for the for the year ended 31st March, 2025 includes the tax amount related to the prior period amounting to Rs. 2,13,62,922/- respectively.

NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2025

Note 51: Additional Notes As Per Schedule III:

Additional Regulatory Information as required by paragraph 2 of the General instruction for preparation of CFS as per Schedule III to the Companies Act, 2013.

1. No proceedings have been initiated or pending against the Company for holding any Benami Property under Prohibitions of Benami Transactions Act, 1988 (Earlier titled as Benami Transactions (Prohibitions) Act, 1988).
2. The Company has borrowings from Banks or Financial Institutions on the basis of Fixed Deposits in India. However, no quarterly return or statement is required to be filed with the bank or Financial Institution. In case of foreign Joint Venture, borrowing is secured by current Assets but no quarterly return is prescribed thereat.
3. The Company has not been declared as wilful defaulter.
4. The Company has no transaction with Companies which are stuck off under section 248 of the Companies Act, 2013 or under section 530 of Companies Act, 1956.
5. No charges are pending for registration or satisfaction with the Registrar of Companies (ROC).
6. The Company is in compliance with the no. of layers as prescribed under clause (87) of section 2 of The Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
7. During the year, no Scheme of Arrangement has been formulated by the Company/pending with competent authority.
8. The Company does not have transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961.
9. The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.
10. The company has not revalued Property, Plant and Equipment during the year.
11. The Company has not advanced or loaned or invested funds, with any understanding, to any other person(s) or entity(ies), including foreign entities (Intermediaries) that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
12. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



B-61, Floor 6, Plot No. 210, B Wing, Mittal Tower,
Free Press Journal Marg, Nariman Point,
Mumbai - 400021, Maharashtra
CIN: L45100MH1983PLC031671

