



Independent Auditor's Examination Report on Restated Financial Information

To,
Board of Directors,
Sobhaygya Mercantile Limited.

1. We have examined, the attached Restated Financial Information of **Sobhaygya Mercantile Limited** comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, 2022 and 2021, the Restated Statements of Profit and Loss (including other comprehensive income), Restated Statement of changes in equity and the Restated Statement of Cash Flows for the years ended March 31, 2023, 2022 and 2021 and the Summary of Significant Accounting Policies and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company (“the Board”) at their meeting held on 12th October, 2023 for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed Rights Issue of equity shares of the Company (the “Issue”) prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (“the Act”);
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”); and
 - c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended (the “Guidance Note”).
2. The Company’s management is responsible for the preparation of the Restated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India and BSE Limited in connection with the proposed Issue. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2a to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined these Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15th September, 2023 in connection with the proposed Issue of the Company;
 - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;



- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Issue.
4. These Restated Financial Information have been compiled by the Management from the audited Ind AS financial statements of the Company as at and for the years ended March 31, 2023, 2022 and 2021, prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and other accounting principles generally accepted in India which have been approved by the Board at their meetings held on May 30, 2023, May 30, 2022 and June 30, 2021 respectively.
5. For the purpose of our examination, we have relied on reports issued by us dated May 30, 2023, May 30, 2022 and June 30, 2021 on the financial statements of the Company as at and for the years ended March 31, 2023, 2022 and 2021 respectively, as referred in Paragraph 4.
6. Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by us, we report that the Restated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. We, Joshi & Shah, Chartered Accountants have been subjected to peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



9. We have also examined the following other financial information relating to the company prepared by the management and as approved by the Board of Directors of the company and annexed to this report relating to the company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 proposed to be included in the offer document.

Statement of Significant Accounting Policies and Notes to the Restated Financial Information	Note 1, 2 & 3
Restated Property, Plant & Equipment	Note 4
Restated Other Intangible Assets	Note 4
Restated Non-Current Investments	Note 5
Restated Deferred Tax Assets (Net)	Note 6
Restated Inventories	Note 7
Restated Trade Receivables	Note 8
Restated Cash and cash equivalents	Note 9
Restated Bank Balance other than (iii)	Note 10
Restated Other Financial Asset	Note 11
Restated Loans	Note 12
Restated Other current Asset	Note 13
Restated Equity Share Capital	Note 14
Restated Other Equity	Note 15
Restated Long Term Borrowings	Note 16
Restated Long Term Lease Liabilities	Note 17
Deferred Tax Liabilities (Net)	Note 18
Restated Short Term Borrowings	Note 19
Restated Trade Payables	Note 20
Restated Short Term Lease Liabilities	Note 21
Restated Other Current Liabilities	Note 22
Restated Provisions	Note 23
Restated Revenue from Operations	Note 24
Restated Other Income	Note 25
Restated Cost of material consumed	Note 26
Restated Change in inventory	Note 27
Restated Employee benefits expense	Note 28
Restated Finance cost	Note 29
Restated Depreciation and Amortization Expense	Note 4
Restated Power and Fuel Charges	Note 30
Restated Machinery Hire Charges	Note 31
Restated Sub Contract Charges	Note 32
Restated Other expenses	Note 33
Restated Contingent Liabilities	Note 34
Restated Foreign Exchange earnings and out-go	Note 35
Restated Segment Information	Note 36
Restated Related Party Transactions	Note 37

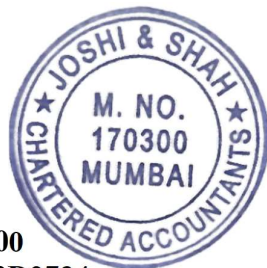


Restated Financial Instruments	Note 38
Restated Financial Risk Management Objectives and Policies	Note 39
Restated Deferred Taxes on Income	Note 40
Restated Disclosures under Ind AS 116 “Leases”	Note 41
Restated Reconciliation of Balances	Note 42
Restated Earnings Per Share	Note 43
Restated Other Notes	Note 44 to 46
Restated Accounting Ratios	Note 47
Restated CSR Disclosures	Note 48
Restated Reconciliation of Profit & Equity	Note 49
Restated Additional Notes as per Schedule III	Note 50

10. The preparation and presentation of the Restated Financial Information referred above are based on the Audited Ind AS financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Restated Financial Information and information referred to above is the responsibility of the management of the Company.
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document to be filed with Securities and Exchange Board of India and BSE Limited in connection with the proposed Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Jaydip Joshi
Partner
Membership No. - 170300
UDIN:23170300BGYCBD2734



Place: Mumbai
Date: 12th October, 2023