

NOTICE

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of M/s. SOBHAGYA MERCANTILE LIMITED will be held on Friday, 25th September, 2009 at 11.00 a.m. at Registered Office of the Company at 61 'B' Wing, Mittal Tower, 210, Nariman Point, Mumbai – 400 021, to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at and Profit & Loss Account for the year ended 31st March, 2009 and the Director's Report and Auditor's Report thereon.
2. To appoint director in place of Mr. Mukesh Kumar Nolkha, who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS
For Sobhagya Mercantile Limited

sd/-

Satyanarayan Kabra
Director

Place : Mumbai
Date : 28.08.2009.

Registered Office :
61, 'B' Wing, 6th Floor
Mittal Tower.,
210, Nariman Point
Mumbai – 400 021

NOTES FOR MEMBERS' ATTENTION :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY, NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE VALID, THE INSTRUMENTS APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIMING OF THE MEETING.
2. The Register of Members & Share Transfer Books of the Company shall remain closed on Friday, 25th September, 2009.
3. Members are requested to intimate the change of address if any to the Company or its Registrar & Share Transfer Agents, M/s. Purva Sharegistry (India) Pvt. Ltd. having its office at Shivshakti Ind. Est., Gala No. 9, Sitaram Mills Compound, J.R. Boricha Marg, Mahalaxmi – 400 011.

CERTIFIED TRUE COPY

SOBHAGYA MERCANTILE LIMITED

Satya Narayan Kabra

DIRECTOR

R. DALIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

127, LINKWAY ESTATE,
LINK ROAD,
MALAD (WEST),
MUMBAI - 400 064.
Tel.: 28787880, Telefax : 28754913.
E-mail : rsdaliya@bom5.vsnl.net.in.

AUDITORS' REPORT

To,
The Members of,
Sobhagya Mercantile Limited.

We have audited the attached Balance Sheet of Sobhagya Mercantile Limited as at 31st March, 2009 and related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that :

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the company.
2. Further to our comments in the statement referred to in paragraphs 1 above, we state that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from directors of the Company, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant Policies and other notes thereon give the information required by the

R. DALIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

127, LINKWAY ESTATE,
LINK ROAD,
MALAD (WEST),
MUMBAI - 400 064.
Tel.: 28787880, Telefax : 28754913.
E-mail : rsdaliya@bom5.vsnl.net.in.

Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

- i) *In the case of the Balance Sheet of the state of affairs of the Company for the year ended on 31st March, 2009;*
- ii) *In the case of the Profit & Loss Account of the Loss of the Company for the year ended on that date; and*
- iii) *In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

*For R. Daliya & Associates
Chartered Accountants*

sd/-

*Place : Mumbai
Dated : 28.08.2009.*

*R.S. Daliya.
Proprietor*

CERTIFIED TRUE COPY

SOBHAGYA MERCANTILE LIMITED

Rajeev Narayan Kataria
DIRECTOR

DIRECTOR'S REPORT

To,
The Members,
Sobhagya Mercantile Limited.

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report with the audited statement of Accounts for the year ended 31st March 2009.

Financial Results :

Summary of the working result of the company for the Twenty-Fifth Accounting Year ended 31st March, 2009 are given as below :

	Amount (Rs)	Amount (Rs)
Profit before depreciation	(59,589.05)	(53,726.36)
Less : Depreciation	2,372.96	2,799.26
Profit before taxation	(61,962.01)	(56,525.62)
Less : Provision for Deferred Tax Liability	-	(665.00)
Profit after taxation	(61,962.01)	(55,860.62)
Add : Balance b/f from last year	444,548.33	500,408.95
	<u>382,586.32</u>	<u>444,548.33</u>

Dividend :

Due to Losses during the year under review, your directors regret their inability to to recommend any dividend.

Director :

Mr. Mukesh Kumar Nolkha shall be retiring by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Deposits :

The Company has not accepted any deposits from the public during the year.

Employee :

None of the employees was in receipt of remuneration in excess of limits specified in section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rule, 1975..

Auditors :

M/s. R. Daliya & Associates, Chartered Accountants, Mumbai retiring Auditors will hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Director's Responsibility statement :

Pursuant to Section 217(2A.4) of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2009 the applicable Accounting standards have been followed;
- (ii) 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 the Company at the end of the financial year and of the profit of the Company for the year under review;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

Cash Flow Statement :

As required under Clause 32 of the Listing Agreement with the Stock Exchange, the Cash Flow Statement for the period 2008 – 09 is annexed hereto.

Management Discussion and Analysis Report :

As required under Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report is annexed herewith forming part of this Annual Report.

Corporate Governance :

A separate report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

Acknowledgement :

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

Other Information :

In terms of Section 217 (1) (e) of the Companies Act, 1956 (as amended) and the Companies (Disclosure or particulars in board of Directors) Rule, 1988 are either NIL or not applicable to the company.

On behalf of the Boards of Directors

sd/-

Satyanarayan Kabra
Director

Place : Mumbai

Dated : 28.08.2009.

ANNEXURE TO THE DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Scenario and developments

Your company deals in financial activities. It provides finance on short term basis. However parties have defaulted in payment of interest during the year under review. Your company is making all its efforts to recover the same.

2) Opportunities and Threats

Since the parties have defaulted in payment of interest on loan given to them in earlier years, the threat therefore remains in respect of bad and doubtful assets, as the above loans are unsecured. However your company is making all possible efforts to see that all the dues are recovered, which if possible will improve your company's position.

3) Segment-wise Performance

Since your Company is operating in only one segment (i.e. Financial activity), hence the same is Not Applicable.

4) Outlook

If your company is able to recover the interest on finance provided to various parties, the outlook of your company seems to be good.

5) Risk and Concerns

The risk and concern of your company relates to loans provided to various parties since the same are unsecured. Hence the concern still remains on timely recovery of interest on such loan, which ultimately can have an effect on the performance of your company.

6) Internal Control system and their adequacy

Your company has an adequate internal control system, which ensures that all its assets are safeguarded from unauthorized use and that all the transactions are authorized recorded and reported properly. The internal control system also ensures that all the relevant statutes, rules, regulation and guidelines are strictly complied with. Your company also has an Audit committee manned by members with experience from various fields who along with the auditors constantly review the adequacy of internal control systems, strength and weaknesses and report their findings and suggestions to the top management so that adequate measures could be taken in time.

7) Financial performance vis-à-vis Operational performance

During the year under review, your company has incurred a loss of Rs. 61,962/-, before providing for Depreciation and taxation as compared to loss of Rs.56,526/- incurred in the previous year. This was mainly on account of non-recovery of interest on loan given in earlier years.

8) Human Resources Development

Your company has always given importance to provide utmost satisfaction to its employees through better work environment and updating them of the current development in the market which would have a possible impact on the performance of your company on continuous basis, so that the major threat and challenges to your company can be met with ease.

ANNEXURE TO THE DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE

The concept of Corporate Governance has been made mandatory through Clause 49 of the Listing Agreement in order to make management accountable to the shareholders for protection of their interest and effective management of the companies in the interest of the company. Your company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served for long. The details of compliance of the Corporate Governance by the Company are as follows :

I. Company's philosophy on Corporate Governance :

Your Company has always given importance to attain the highest level of transparency, accountability and to build up confidence of the investors, employees and others through their operations and interactions and to see that the value of Shareholders are maximized.

II. Board of Directors :

(A) Composition of Board :

The Board of Directors of the company comprises of three members with experiences in various fields. The Composition of Board of Directors is as follows:

Director	Executive/Non-Executive/ Independent	No. of Outside Directorship held		No. of Outside Committee positions held	
		Public	Private	Member	Chairman/ Chairperson
Mr. Satyanarayan Kabra	Independent Non- Executive Director.	Nil	01	Nil	Nil
Mr. Brij Mohan Kabra	Independent Non- Executive Director	01	01	Nil	Nil
Mr. Mukesh Kumar Nolkha	Independent Non- Executive Director	Nil	Nil	Nil	Nil

(B) Number of Board Meetings held & attended by Directors:

Five Meetings of the Board of Directors were held during the year ended 31st March, 2009. These were held on :-

- | | |
|--------------------------------------|-------------------------------------|
| (1) 30 th April, 2008 | (2) 31 st July, 2008 |
| (3) 02 nd September, 2008 | (4) 31 st October, 2008. |
| (5) 31 st January, 2009. | |

The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2009 and of the last Annual General Meeting is as under :-

Directors	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. Satyanarayan Kabra	5	5	Yes
Mr. Brij Mohan Kabra	5	5	Yes
Mr. Mukesh Kumar Nolkha	5	4	Yes

No Director is related to other Directors on the Board.

III. Audit Committee :

An Audit Committee was constituted by the Board of Directors on 30th April, 2002 to look after various matters which are in conformity with the requirements as per Clause 49 of the Listing Agreement with Stock Exchanges. However the same has been reconstituted w.e.f. 21st December 2005 with further reconstitution on 31st March, 2007 & consist of the following members:-

- (1) Shri. Brij Mohan Kabra - Chairman
- (2) Shri. Mukesh Kumar Nolkha - Member
- (3) Shri. Satyanarayan Kabra - Member

The Audit Committee meetings were held on 30th April, 2008, 31st July 2008, 02nd September, 2008, 31st October 2008 & 31st January, 2009. The attendance of each Audit Committee member is as under :-

Member	No. of Meetings Attended
Mr. Brij Mohan Kabra	5
Mr. Mukesh Kumar Nolkha	4
Mr. Satyanarayan Kabra	5

IV. Remuneration Committee :

The Board of Directors of the Company has not formed any Remuneration Committee as the same was not required.

V. Board Procedure :

The Board of Directors of the Company has met five times during the year. Agenda papers of each meeting along with explanatory statements were circulated in advance to all the Directors. All the relevant information as required under Clause 49 of the Listing Agreement were placed before the Board from time to time.

VI. Shareholders/Investors Committee :

The Board of Directors has constituted a Shareholders/Investors Committee on 30th April 2002 under the Chairmanship of Non Executive Director, Mr. Kumar Bagrodia. However the same has been reconstituted w.e.f. 21st December 2005 with further reconstitution on 31st March, 2007. During the year ended 31st March, 2009, no investor complaints were received. There were no share transfers pending for registration for more than 30 days as on the said date.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting fixed on 25th September, 2009 are given hereunder: -

Name of the Director	Mr. Mukesh Kumar Nolkha
Date of Appointment	1 st February, 2001.
Expertise in Specific Functional areas	Rich Experience in Finance & Accounts.
List of Other Directorships held	NIL
Chairman/Member of the committees of the Board of the other Companies on which he/she is a Director	NIL

To expedite the process of share transfer the Company has appointed M/s. Purva Share Registry (India) Pvt. Ltd. as Registrar & Transfer Agents who completes share transfer formalities every fortnight.

VII. Compliance Certificate :

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed herewith.

VIII. General Body Meetings :

(A) The details of the General Meetings held in last three years are as under :-

Date	Location	Time
30 th September, 2008	61, Mittal Tower, 6 th Floor B wing, 210 Nariman Point, Mumbai - 400 021.	11.00 A.M.
28 th September, 2007	61, Mittal Tower, 6 th Floor B wing, 210 Nariman Point, Mumbai - 400 021.	11.00 A.M.
28 th September, 2006	145, Maker Chamber III, 13 th Floor, 223, Nariman Point, Mumbai - 400 021.	11.00 A.M.

(B) No Special Resolution was put through postal ballot last year.

(C) No Special Resolution is proposed to be put through postal ballot this year.

IX. Disclosures :

(i) There are no materially Significant Transactions with related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with company's interest.

(ii) There have been no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

X. Means of Communication :

Half - Yearly report sent to each household of shareholders	No
Quarterly results : Which newspapers normally published in	The Asian Age, Mumbai Mahanayak
Any website, where displayed	www.bseindia.com
Whether MD&A is a part of annual report	Yes

XI. General Shareholder Information :

- Twenty - Fifth Annual General Meeting of the Company will be held on Friday, 25th September, 2009 at 11.00 a.m. at Registered Office of the Company at 61, 'B' Wing Mittal Tower, 6th Floor, 210, Nariman Point, Mumbai - 400 021.
- Financial Calendar 2009 - 2010 :
 - (a) First Quarterly Results : Before end of July, 2009.
 - (b) Second Quarterly Results : Before end of October, 2009.
 - (c) Third Quarterly Results : Before end of January, 2009.
 - (d) Fourth Quarterly Results : Before end of April, 2010.
- Date of Book Closure - Friday, 25th September, 2009.
- Dividend Payment Date - No Dividend is declared for the year.
- Listing on Stock Exchanges - The Shares of Company are listed on:
 - The Mumbai Stock Exchange.
 - Phorozee Jeejeebhoy Towers,
 - 25th Floor, Dalal Street,
 - Mumbai - 400 001.

- Listing Fees for the year 2009– 2010 has been paid to the Stock Exchange.
- Stock Code :- 512014.
- Demat ISIN Number in CDSL : INE754D01018.
- Since there were no transactions on the Mumbai Stock Exchange for the period from 01.04.2008 to 31.03.2009, high/low prices during each month & performance in comparison to broad-based indices is not shown.
- Registrar and Transfer Agent : M/s Purva Sharegistry (India) Private Limited, Shivshukti Ind. Estate, Gala No. 9, Sitaram Mills Compound, J.R. Boricha Marg., Mahalaxmi – 400 011.
- Share Transfer System :- Share Transfers approved by the Board of Directors are registered & returned by the Registrar & Share Transfer Agent within a period of 30 days from the date of receipt, if the documents are clear in all respects.
- Distribution of Shareholding as on 31st March, 2009 :-

Shareholding of Nominal value	No. of Shareholders (Folios)	% of Shareholders (Folios)	No. of Shares	% of Shareholding
Up to 5000	220	92.05	37,520	15.63
5001-10000	8	3.35	6,600	2.75
10001-20000	3	1.26	4,550	1.90
20001-30000	1	0.42	2,250	0.94
30001-40000	2	0.84	7,500	3.13
40001-50000	1	0.42	5,000	2.08
50001-100000	0	0.00	0	0.00
100001 & above	4	1.67	1,76,580	73.58
Total	239	100.00	2,40,000	100.00

Category	No. of Shareholders (Folios)	% of Shareholders (Folios)	No. of Shares	% of Shareholding
Promoters	3	1.26	82,830	34.51
Resident Individual	236	98.74	1,57,170	65.49
Corporate Bodies	000	00.00	0,00,000	00.00
Financial Institutions	000	00.00	0,00,000	00.00
Nationalised Banks and Mutual Funds	000	00.00	0,00,000	00.00
FIs	000	00.00	0,00,000	00.00
NRIs and OCBs	000	00.00	0,00,000	00.00
Total	239	100.00	2,40,000	100.00

- Dematerialisation of Shares and Liquidity :- 82,830 shares representing 34.51% of Company's total shares were held in dematerialized form as on 31st March, 2009 and the balance 1,57,170 shares representing 65.49% of Company's total shares were held in physical form.
- Address for Correspondence : M/s. Sobhagya Mercantile Limited.
61, Mittal Tower, 'B' Wing,
210, Nariman Point,
Mumbai - 400 021.

**ANNEXURE TO THE DIRECTOR'S REPORT
COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

*The Members of
M/s. Sobhagya Mercantile Limited
Mumbai.*

CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by Sobhagya Mercantile Limited, Mumbai, for the year ended on 31.03.2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 of the 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 to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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.

*For R. Daliya & Associates
Chartered Accountants*

sd/-

*Place : Mumbai
Dated : 28.08.2009.*

*R.S. Daliya.
Proprietor*

M/s. SOBHAGYA MERCANTILE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009.

	SCHEDULES	AS ON 31.03.2009	AS ON 31.03.2008
I SOURCES OF FUNDS :			
A Share Holders Fund :			
Share Capital	"A"	2,365,250.00	2,365,250.00
Reserves & Surplus	"B"	382,586.32	444,548.33
		<u>2,747,836.32</u>	<u>2,809,798.33</u>
B Loan Funds :			
Secured Loans		-	-
Unsecured Loans (From Director)		273,450.00	243,850.00
		<u>273,450.00</u>	<u>243,850.00</u>
TOTAL		<u>3,021,286.32</u>	<u>3,053,648.33</u>
II APPLICATION OF FUNDS :			
A Fixed Assets :	"C"		
Gross Block		313,036.90	313,036.90
Less : Provision for Depreciation		299,551.45	297,178.49
Net Block		<u>13,485.45</u>	<u>15,858.41</u>
B Investments	"D"	1,026,760.00	1,026,760.00
C Current Assets, Loans & Advances :			
Current Assets, Loans & Advances	"E"	2,062,014.76	2,074,096.92
Less : Current Liabilities & Provisions	"F"	80,973.89	63,067.00
Net Current Assets		<u>1,981,040.87</u>	<u>2,011,029.92</u>
D Miscellaneous Expenditure (to the extent not written off or adjusted).		-	-
TOTAL		<u>3,021,286.32</u>	<u>3,053,648.33</u>
NOTES TO ACCOUNTS	"J"		

AS PER OUR REPORT OF EVEN DATE ATTACHED
For R. DALIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

sd -
R.S. DALIYA
PROPRIETOR

Place : Mumbai
Dated : 28.08.2009

For SOBHAGYA MERCANTILE LIMITED

sd -
Brij Mohan Kabra
(Director)

sd/-
Satyanarayan Kabra
(Director)

M/s. SOBHAGYA MERCANTILE LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009.

	SCHEDULES	CURRENT YEAR 31.3.2009	PREVIOUS YEAR 31.3.2008
I INCOME :			
Dividend		19,286.00	19,282.66
TOTAL		19,286.00	19,282.66
 II EXPENDITURE :			
Personnel Expenditure	"G"	-	4,000.00
Administrative & Other Expenses	"H"	78,022.37	68,094.00
Interest & Financial Charges	"I"	852.68	915.02
Depreciation		2,372.96	2,799.26
TOTAL		81,248.01	75,808.28
PROFIT BEFORE TAXATION		(61,962.01)	(56,525.62)
Less : Provision for Deferred Tax Liability..		-	(665.00)
PROFIT AFTER TAXATION		(61,962.01)	(55,860.62)
Add : Balance b/f from Last Period		444,548.33	500,408.95
 BALANCE TO BE CARRIED FORWARD		382,586.32	444,548.33

NOTES TO ACCOUNTS

(Schedules referred to above form integral part of accounts)

AS PER OUR REPORT OF EVEN DATE ATTACHED
 For R. DALIYA & ASSOCIATES
 CHARTERED ACCOUNTANTS

sd/-
 R.S. DALIYA
 PROPRIETOR

For SOBHAGYA MERCANTILE LIMITED

sd/-
 Brij Mohan Kabra
 (Director)

sd/-
 Satyanarayan Kabra
 (Director)

Place : Mumbai.
 Dated : 28.08.2009

M/s. SOBHAGYA MERCANTILE LIMITED

	AS ON 31-03-2009	AS ON 31-03-2008
<u>SCHEDULE "A" :-</u>		
SHARE CAPITAL :		
Authorized Share Capital (2,50,000 Equity Shares of Rs. 10/- each)	2,500,000.00	2,500,000.00
	<u>2,500,000.00</u>	<u>2,500,000.00</u>
Issued, Subscribed & Paid Up Capital (2,40,000 equity shares of Rs. 10/- each)	2,400,000.00	2,400,000.00
Less : Calls - in - arrears	34,750.00	34,750.00
	<u>2,365,250.00</u>	<u>2,365,250.00</u>
<u>SCHEDULE "B" :-</u>		
RESERVES & SURPLUS :		
Profit as per the last Balance Sheet	444,548.33	500,408.35
Add : Profit/(Loss) for the year	(61,962.01)	(55,860.62)
	<u>382,586.32</u>	<u>444,548.33</u>
<u>SCHEDULE "D" :-</u>		
INVESTMENTS :		
(Quoted Share)		
1000 Arvind Products Limited	98,170.00	98,170.00
39200 GSL Securities Limited	390,220.00	390,220.00
10 ICICI Bank Limited	90,270.00	90,270.00
1000 Jai Prakash Associates Limited	21,000.00	21,000.00
50 Kochi Refinery Limited	11,000.00	11,000.00
50B Kochi Refinery Limited		
550 Orkay Industries Limited	11,600.00	11,600.00
5000 Steel Authority of India Limited	404,500.00	404,500.00
	<u>1,026,760.00</u>	<u>1,026,760.00</u>
<i>(Market Value fo Quoted Investment as on 31/03/2009 is Rs 9,71,622/-).</i>		

M/s. SOBHAGYA MERCANTILE LIMITED

SCHEDULE - "C"

FIXED ASSETS :

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	AS AT 01/04/2008	ADDITION DURING THE YEAR	TOTAL AS AT 31/03/2009	UP TO 01/04/2008	FOR THE YEAR	UP TO 31/03/2009	AS AT 31/03/2008	AS AT 31/03/2009
OFFICE EQUIPMENT	34,078.30	-	34,078.30	28,418.11	787.32	29,205.43	5,660.19	4,872.87
COMPUTER EQUIPMENTS	143,080.00	-	143,080.00	137,880.47	723.25	138,603.72	5,199.53	4,476.28
ELECTRIC INSTALLATIONS	19,445.00	-	19,445.00	18,433.69	140.67	18,574.36	1,011.31	870.64
FURNITURE & FIXTURES	116,433.60	-	116,433.60	112,446.22	721.72	113,167.94	3,987.38	3,265.66
CURRENT YEAR	313,036.90	-	313,036.90	297,178.49	2,372.96	299,551.45	15,858.41	13,485.45
PREVIOUS YEAR	313,036.90	-	313,036.90	294,379.23	2,799.26	297,178.49	18,657.67	15,858.41

SCHEDULE "E" :-**CURRENT ASSETS, LOANS & ADVANCES :**

Cash in hand	3,524.25	10,484.25
Bank Balances	10,539.51	15,661.67
Loans & Advances : (Unsecured & Considered Good)		
Advances recoverable in cash or in kind or for value to be received.	1,971,250.00	1,971,250.00
Advance Taxes & T.D.S.	76,701.00	76,701.00
	2,062,014.76	2,074,096.92

SCHEDULE "F" :-**CURRENT LIABILITIES & PROVISIONS :**

Sundry Creditors	54,221.00	37,173.00
Provision for Taxation	21,472.00	21,472.00
Outstanding Liabilities	5,280.89	4,422.00
	80,973.89	63,067.00

SCHEDULE "G" :-**PERSONNEL EXPENDITURE :**

Salary		4,000.00
		4,000.00

SCHEDULE "H" :-**ADMINISTRATIVE & OTHER EXPENSES :**

Audit Fees	5,618.00	5,618.00
Filing Fees	8,100.00	1,000.00
Printing & Stationery	2,450.00	2,530.00
Postage & Courier	110.00	2,490.00
Annual Custodial Fees	8,990.00	8,615.00
Professional Charges	16,989.00	9,181.00
Share Transfer & Demat Expenses	13,422.00	15,016.00
General Expenses	22,343.37	23,644.00
	78,022.37	68,094.00

SCHEDULE "I" :-**INTEREST & FINANCIAL CHARGES :**

Bank Charges	178.68	242.02
Demat Charges	674.00	673.00
	852.68	915.02

SUB - SCHEDULE FOR BALANCE SHEET & PROFIT & LOSS ACCOUNT :

Advances recoverable in cash or in kind or for value to be received :		
Bijay Chokhani	708,500.00	708,500.00
M/s. Onwa Electronics Pvt. Ltd.	636,000.00	636,000.00
M/s. Satya Impex	626,750.00	626,750.00
	<u>1,971,250.00</u>	<u>1,971,250.00</u>
Advance Taxes & T.D.S. :		
TDS Receivable (A.Y. 01 - 02)	31,592.00	31,592.00
TDS Receivable (A.Y. 02 - 03)	22,668.00	22,668.00
TDS Receivable (A.Y. 03 - 04)	15,692.00	15,692.00
Advance Tax (A.Y. 2006-07)	5,000.00	5,000.00
Self Assessment (A.Y. 2005-06)	1,749.00	1,749.00
	<u>76,701.00</u>	<u>76,701.00</u>
Sundry Creditors :		
Anurag Gupta & Ass.	-	2,750.00
Baheti & Daliya	37,796.00	32,178.00
Gagrani & Gagan	16,425.00	2,245.00
	<u>54,221.00</u>	<u>37,173.00</u>
Provision for Taxation :		
Provision for Taxation as per last year's Balance Sheet	21,472.00	21,472.00
Less : Provision for Taxation for A.Y. 2007-08	-	-
	<u>21,472.00</u>	<u>21,472.00</u>
Provision for Deferred Tax Liability :		
Cumulative deferred tax liability as per last yr's Bal. Sheet.	-	665.00
Add /(Less): Deferred tax liability/(Assets) for the year	-	(665.00)
	<u>-</u>	<u>-</u>
Outstanding Liabilities :		
Share Transfer & Demat Exps. Payable	3,309.00	4,422.00
Legal & Press Release chgs	1,971.89	-
	<u>5,280.89</u>	<u>4,422.00</u>
General Expenses :		
AGM Expenses	-	142.00
Books & Periodicals	-	50.00
Company Profession Tax	2,500.00	2,500.00
Director's Profession Tax	-	2,500.00
Legal Press Release Expenses	8,759.37	9,552.00
Annual Listing Fee	11,084.00	8,900.00
	<u>22,343.37</u>	<u>23,644.00</u>

SCHEDULE "J" :-

NOTES TO ACCOUNTS :

- 1 Accounting Policies :
 - a) Investment are valued at cost.
 - b) The Company prepares its accounts on accrual basis except otherwise stated, in accordance with the normally accepted accounting principles.
 - c) Fixed Assets are stated at Cost less Depreciation.
- 2 Estimated amount of contracts to be executed on Capital account and not provided for Rs. NIL.
- 3 There is an diminution of Rs. 55,138/- (Previous Year Rs. NIL) in quoted value of investments made by the company as compared to the cost of the investment as on 31st March 2008.
- 4 Deferred Tax Liability subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is Rs.NIL
- 5 During the year, the company has adopted following Accounting Standards as issued by the Institute of Chartered Accountants of India :
 - (a) Accounting Standard (AS - 22) on " Accounting for Taxes on Income " :- Consequently, the Company has considered cumulative net deferred tax liability in respect of timing differences as on 31st March, 2008 and also deferred tax liability for the year, as prescribed under the Accounting Standard. However, no liability arises on this account.
 - (b) Accounting Standard (AS - 21) on " Earning Per Share " :- Consequently, both Basic & Diluted Earning Per Share comes to Rs.-0.26/-.
 - (c) Accounting Standard (AS - 17) on " Segment Reporting " :- The Company is operating in single segment.
 - (d) Accounting Standard (AS - 18) on " Related Party Disclosure " :-
 - (a) Particulars of Related Parties :

Name of the Related Party	Nature of Relationship
1) Mangalam Exim Private Limited	Associated Company
2) Shree Kumar Mangalam Traders Private Limited	Associated Company
3) Harivatsa Education Private Limited	Associated Company
4) Rastogi Textiles Private Limited	Associated Company
 - (b) Transaction with Related Parties :
 - 1) Unsecured Loan taken from a Director Rs. 51,150/-, of which Rs. NIL has been repaid during the year.
- 6 Other information required under part II of the Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable to the company.
- 7 Previous Year's figures have been regrouped or readjusted wherever required.
In the opinion of the Board of Directors, Current Assets, Loans & Advances are approximately of the value stated in the Balance Sheet if realised in the ordinary course of business.
- 8 Balance of Loans & Advances are subject to their confirmation.
- 9 The requirement regarding Licensed & installed capacity are not applicable to the company.
- 10 No employee is in receipt of remuneration aggregating to Rs. 24,00,000 P.A. if employed for the year and Rs. 2,00,000 P.M. if employed for the part of the year.

AS PER OUR REPORT OF EVEN DATE ATTACHED
For R. DALIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
R.S. DALIYA
PROPRIETOR

For SOBHAGYA MERCANTILE LIMITED

sd/-
Brij Mohan Kabra
(Director)

sd/-
Satyanarayan Kabra
(Director)

Place : Mumbai.
Dated : 28.08.2009

CERTIFIED TRUE COPY
SOBHAGYA MERCANTILE LIMITED
Satya Narayan Kabra
DIRECTOR

Balance Sheet abstract and Company's General Business Profile as per Schedule VI Part (iv) of the Companies Act, 1956.

1. REGISTRATION DETAILS :

(a) Registration No. :	31671
(b) Status Code :	11 (Maharashtra)
(c) Balance Sheet :	31st March, 2009

2. CAPITAL RAISED DURING THE YEAR

(a) Public Issue	NIL
(b) Bonus Issue	NIL
(c) Right Issue	NIL
(d) Private Placement(Promoter's Contribution)	NIL

3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS :

TOTAL ASSETS	3021286
TOTAL LIABILITIES	3021286

SOURCES OF FUNDS

1. Paid up Capital	2365250
2. Reserve & Surplus	382586
3. Loan Funds	273450

APPLICATION OF FUNDS :

1. Net Fixed Assets	13485
2. Investments	1026760
3. Net Current Assets	1981041
4. Misc. Expenses	0

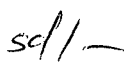
4. PERFORMANCE OF THE COMPANY :


1. Total Income	19286
2. Total Expenditure	81248
3. Profit before Tax	-61962
4. Profit after Tax	-61962
5. Earning per share :	
Basic	-0.26
Diluted	-0.26
6. Dividend (in %)	NIL

5. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY.

1. Item Code :	
2. Products Description	Dividend Income

For SOBHAGYA MERCANTILE LIMITED


Brij Mohan Kabra
(Director)


Satyanarayan Kabra
(Director)

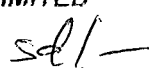
Place : Mumbai.
Dated : 28.08.2009

M/s. SOBHAGYA MERCANTILE LIMITED
CASH FLOW STATEMENT

	2008-2009 (Amounts in Rs.)	2007-2008 (Amounts in Rs.)
A. Cash Flow From Operating Activities :		
Net Profit before tax & extraordinary items	(61,962)	(55,861)
Add : Depreciation	2,373	2,799
Add : Non Cash Expenses	25,079	15,035
Less : Prior Period Adjustment..	-	-
Operating Profit before Working Capital change....	<u>(34,510)</u>	<u>(38,025)</u>
Adjustment for :		
(increase)/Decrease in Loans & Advances	-	-
Increase/(Decrease) in Current Liabilities	<u>(7,172)</u>	<u>(10,101)</u>
Cash Generated from Operations	<u>(41,682)</u>	<u>(48,126)</u>
Less : Direct Tax Paid	-	665
Fringe Benefit Tax	-	-
Net Cash Flow from Operating Activities	<u>(41,682)</u>	<u>(48,791)</u>
B. Cash Flow From Investing Activities :		
Purchase of Fixed Asset	-	-
Sale of Investment	-	-
C. Cash Flow From Financing Activities :		
Unsecured Loans From Director	29,600	48,500
Net Increase/(Decrease) in Cash & Cash Equivalent.	<u>(12,082)</u>	<u>(291)</u>
Cash & Cash Equivalent at the beginning...	26,147	26,438
Cash & Cash Equivalent at the year end..	<u><u>14,064</u></u>	<u><u>26,147</u></u>

For SOBHAGYA MERCANTILE LIMITED

Brij Mohan Kabra
(Director)


Satyanarayan Kabra
(Director)

Place : Mumbai
Dated : 28.08.2009

To,
The Board Of Directors,
M/s. Sobhagya Mercantile Limited

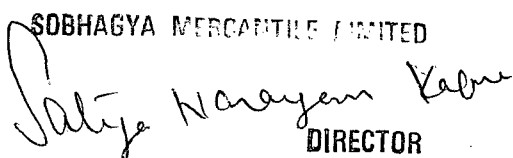
We have examined the above Cash Flow Statement of M/s. Sobhagya Mercantile Limited for the year ended on 31.03.2009. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of the Listing Agreement with the corresponding Profit & Loss A/c & Balance Sheet of the company covered by our report dated 28.08.2009 to the members of the company.

For R. DALIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

R.S. DALIYA
PROPRIETOR
Place : Mumbai
Dated : 28.08.2009

CERTIFIED TRUE COPY

SOBHAGYA MERCANTILE LIMITED


DIRECTOR