

## NOTICE

*NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of M/s. SOBHAGYA MERCANTILE LIMITED will be held on Friday, 21<sup>st</sup> September, 2012 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 31<sup>st</sup> March, 2012 and the Director's Report and Auditor's Report thereon.*
- 2. To appoint director in place of Mr. Mukesh 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*

  
**Brij Mohan Kabra**  
Director

**Place : Mumbai**  
**Date : 13.07.2012**

**Registered Office :**  
61, 'B' Wing, 6<sup>th</sup> 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 Monday, 17<sup>th</sup> September, 2012 to Friday, 21<sup>st</sup> September, 2012.*
- 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.*

# DIRECTOR'S REPORT

To,  
The Members,  
Sobhagya Mercantile Limited.

Your Directors have pleasure in presenting the Twenty-Eighth Annual Report with the audited statement of Accounts for the year ended 31<sup>st</sup> March 2012.

## Financial Results :

Summary of the working result of the company for the Twenty-Eighth Accounting Year ended 31<sup>st</sup> March, 2012 are given as below :

	2011-2012	2010-2011
	Amount (Rs)	Amount (Rs)
Profit before depreciation	(75,116.00)	(59,632.61)
Less : Depreciation	1,632.00	2,246.19
Profit before taxation	(76,748.00)	(61,878.80)
Less : Provision for Deferred Tax Liability	-	-
Profit after taxation	(76,748.00)	(61,878.80)
Add : Balance b/f from last year	241,518.40	303,397.20
	<u>164,770.40</u>	<u>241,518.40</u>

## Dividend :

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

## Director :

Mr. Mukesh 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(2AA) 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 31<sup>st</sup> March, 2012 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 Loss 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 31<sup>st</sup> Ma. 2012 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 2011-12 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.*

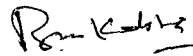
**Acknowledgement :**

*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***



***Brij Mohan Kabra  
Director***

***Place : Mumbai***

***Dated :30.05.2012***

# **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 75,116/-, before providing for Depreciation and taxation as compared to loss of Rs. 59,632/- 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.

### **9) Conclusion**

Your company though made consistent efforts & drive to reducing operating cost and to utilize the available resources properly, but still your company was unable to make any good profit during the year, which was mainly on account of non-receipt of interest in the current year.

## 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 built 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/ Chairpers on
Mr. Brijmohan Kabra	Independent Non-Executive Director	Nil	02	Nil	Nil
Mr. Mukesh Nolkha	Independent Non-Executive Director	Nil	Nil	Nil	Nil
Mr. Kaushal Mehta*	Independent Non-Executive Director	01	Nil	01	01
Mr. Satyanarayan Kabra**	Independent Non-Executive Director	Nil	Nil	Nil	Nil

\*Appointed as a Director on 30.03.2012

\*\*Resigned as a Director on 30.03.2012

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

- (i) Six Meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2012. These were held on :-
- |                                    |                                    |
|------------------------------------|------------------------------------|
| (1) 29 <sup>th</sup> April, 2011   | (2) 29 <sup>th</sup> July, 2011    |
| (3) 30 <sup>th</sup> August, 2011  | (4) 31 <sup>st</sup> October, 2011 |
| (5) 31 <sup>st</sup> January, 2012 | (6) 30 <sup>th</sup> March, 2012   |

- (ii) The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2012 and of the last Annual General Meeting is as under :

Directors	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. Brijmohan Kabra	6	6	Yes
Mr. Mukeshkumar Nolkha	6	6	Yes
Mr. Kaushal Mehta*	6	1	No
Mr. Satyanarayan Kabra**	6	6	Yes

\*Appointed as a Director on 30.03.2012

\*\*Resigned as a Director on 30.03.2012

No Director is related to other Directors on the Board.

### III. Audit Committee :

An Audit Committee was constituted by the Board of Directors on 31<sup>st</sup> October, 2002 to look after various matters which are in conformity with the requirements as per Clause 49 of the Listing Agreement with Stock Exchanges & consist of the following members:-

- (1) Brij Mohan Kabra - Chairman
- (2) Shri. Mukesh Kumar Nolkha - Member
- (3) Shri. Satyanarayan Kabra – Member\*
- (4) Shri. Kaushal A. Mehta – Member\*\*

The Audit Committee meetings were held on 29<sup>th</sup> April, 2011, 29<sup>th</sup> July 2011, 30<sup>th</sup> August, 2011, 31<sup>st</sup> October 2011 & 31<sup>st</sup> January, 2012. The attendance of each Audit Committee member is as under :-

Member	No. of Meetings Attended
Mr. Brij Mohan Kabra	5
Mr. Mukesh Kumar Nolkha	5
Mr. Satyanarayan Kabra*	5
Mr. Kaushal A. Mehta**	0

\* Resigned as a Director/Member on 30.03.2012

\*\* Appointed as a Director/Member on 30.03.2012

### 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 30<sup>th</sup> April 2002 under the Chairmanship of Non Executive Director, Mr. Kumar Bagrodia. However the same has been reconstituted w.e.f. 21<sup>st</sup> December 2005 with further reconstitution on 31<sup>st</sup> March, 2007. During the year ended 31<sup>st</sup> March, 2012, 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 24<sup>th</sup> September, 2011 are given hereunder: -

Name of the Director	Mr. Mukeshkumar Nolkha
Date of Appointment	1 <sup>st</sup> 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
24 <sup>th</sup> September, 2011	61, Mittal Tower, 6 <sup>th</sup> Floor B wing, 210 Nariman Point, Mumbai - 400 021.	11.30 A.M.
24 <sup>th</sup> September, 2010	61, Mittal Tower, 6 <sup>th</sup> Floor B wing, 210 Nariman Point, Mumbai - 400 021.	11.30 A.M.
25 <sup>th</sup> September, 2009	61, Mittal Tower, 6 <sup>th</sup> Floor B wing, 210 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	<a href="http://www.bseindia.com">www.bseindia.com</a>
Whether MD&A is a part of annual report	Yes

## XI. General Shareholder Information :

- Twenty –Eighth Annual General Meeting of the Company will be held on Friday, 21<sup>st</sup> September, 2012 at 11.00 a.m. at Registered Office of the Company at 61, 'B' Wing Mittal Tower, 6<sup>th</sup> Floor, 210, Nariman Point, Mumbai – 400 021.
- Financial Calendar 2012 – 2013 :
  - (a) First Quarterly Results : Before end of July, 2012.
  - (b) Second Quarterly Results : Before end of October, 2012.
  - (c) Third Quarterly Results : Before end of January, 2012.
  - (d) Fourth Quarterly Results : Before end of April, 2012.
- Date of Book Closure – Monday, 17<sup>th</sup> September, 2012 to Thursday 20<sup>th</sup> September, 2012
- 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 2011– 2012 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 01.04.2011 to 31.03.2012, 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, Shivshakti 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 31<sup>st</sup> March, 2012 :-

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
<b>Total</b>	<b>239</b>	<b>100.00</b>	<b>2,40,000</b>	<b>100.00</b>

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
FII's	000	00.00	0,00,000	00.00
NRIs and OCBs	000	00.00	0,00,000	00.00
<b>Total</b>	<b>239</b>	<b>100.00</b>	<b>2,40,000</b>	<b>100.00</b>



- **Dematerialisation of Shares and Liquidity** :- 82,830 shares representing 34.51% of Company's total shares were held in dematerialized form as on 31<sup>st</sup> March, 2012 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 31.03.2012 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.*

**Place : Mumbai  
Dated : 30.05.2012.**



**For R. Daliya & Associates  
Chartered Accountants**

*R. S. Daliya*

**R.S. Daliya.  
Proprietor**

**FRN : 102060W  
PAN : AEGPD4954A**

## AUDITORS' REPORT

To,  
The Members of,  
Sobhagya Mercantile Limited.

We have audited the attached Balance Sheet of Sobhagya Mercantile Limited as at 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012 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 Companies Act, 1956 in the manner so required and present a true and fair view in conformity accounting principles generally accepted in India :



**R. DALIYA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

127, LINKWAY ESTATE,

LINK ROAD,

MALAD (WEST),

MUMBAI - 400 064.

Tel.: 28787880, Telefax : 28754913.

E-mail : rsdaliya@gmail.com

- i) In the case of the Balance Sheet of the state of affairs of the Company for the year ended on 31<sup>st</sup> March, 2012;
- 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 & Assocites  
Chartered Accountants*

*R.S. Daliya*

*Place : Mumbai  
Dated :30.05.2012.*

**R.S. Daliya.**

**Proprietor**

**FRN :102060W**

**PAN:AEGPD4954A**



**STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF  
EVEN DATE**

1. *The Company has maintained adequate records to show full particulars including quantitative details and situation of fixed assets. According to the explanations given to us the Fixed assets of the company have been verified by the Management during the year and no significant discrepancies between the book records and physical verification have been noticed. No Fixed Assets have been disposed off during the year.*
2. *The Company did not have inventory at any point of time during the year.*
3. *The Company has not granted or taken any loan, secured or unsecured, to or from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 except interest free unsecured loans amounting to Rs. 95,000/- taken from Mr. Kumaar Bagrodia, terms & conditions of which are not prejudicial to the interest of the company. Maximum balance outstanding at any time during the year was Rs. 2,00,800/-. As informed to us, there is no company under the same management as defined under section 370(1-B) of the Companies Act, 1956.*
4. *In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of the business for the purchase of Fixed Assets. In our opinion, and according to the information & explanations given to us, there was no continuing failure to correct major weakness in internal control.*
5. *In our opinion and according to the information and explanations given to us, there were no transactions which needed to be entered into a register in pursuance of section 301 of the Companies Act, 1956.*
6. *In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.*
7. *We have been informed that as the Company's internal control procedures ensure reasonable checking of its financial and other records, the Company has not yet started a formal internal Audit department.*
8. *We have been informed that the Company was not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956.*
9. *a) There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty and Investor Protection Fund as at 31<sup>st</sup> March, 2012 which are outstanding for period of more than six months from date they became payable*



**R. DALIYA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

127, LINKWAY ESTATE,  
LINK ROAD,  
MALAD (WEST),  
MUMBAI - 400 064.  
Tel.: 28787880, Telefax : 28754913.  
E-mail : [rsdaliya@gmail.com](mailto:rsdaliya@gmail.com)

- b) There are no dues in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty and any other Statutory dues which have not been deposited on account of any dispute.
10. The Company's accumulated losses at the end of the financial year do not exceed 50% of its net worth. However cash loss was reported in the previous year.
  11. The company did not have any outstanding debentures or outstanding loans from any financial institution or bank during the year.
  12. During the year, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The provision of any special statute applicable to chitfund/ nidhi/ mutual benefit fund/ societies are not applicable to the company.
  14. The Company has maintained proper records in respect of transactions and contracts related to dealings in Shares, Securities, Debentures and other investments. As explained to us, timely entries have been made therein. Shares and Debentures have been held by the Company in its own name except for certain shares which are lodged for transfer.
  15. In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
  16. The company has no term loan outstanding at any point of time during the year.
  17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
  18. The company has not made any preferential allotment of share to parties and companies covered in the Register maintained under section 301 of the Act at any point of time during the year.
  19. The company has no outstanding debentures at any point of time during the year, hence creation of security does not arise.
  20. The company has not raised any money by public issue during the year.
  21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, nor have been informed of any such case by the management.

Place : Mumbai  
Dated : 30.05.2012.



For R. Daliya & Associates  
Chartered Accountants

*R.S. Daliya*

R.S. Daliya.  
Proprietor

**SOBHAGYA MERCANTILE LIMITED**

**BALANCE SHEET AS AT 31st March, 2012**

Particulars	Note No	As at	As at
		31st March, 2012	31st March, 2011
		Rs.	Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
a Share Capital	2	2,365,250	2,365,250
b Reserves and Surplus	3	164,771	241,519
<b>2 Current Liabilities</b>			
a Short Term Borrowings	4	538,800	453,800
b Trade Payables	5	20,668	13,412
<b>Total</b>		<b>3,089,489</b>	<b>3,073,981</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
a Fixed Assets			
Tangible Assets	6	6,427	8,059
b Non-current investments	7	1,026,760	1,026,760
c Long term Loans and Advances	8	1,971,250	1,971,250
<b>2 Current assets</b>			
a Cash and cash equivalents	9	30,276	13,136
b Short-term loans and advances	10	54,776	54,776
<b>Total</b>		<b>3,089,489</b>	<b>3,073,981</b>
Significant accounting policies	1		

Other Notes on accounts from Nos 14 to 25  
are an integral part of the Financial Statements

As per our report of even date,  
For **R. DALIYA & ASSOCIATES**  
Chartered Accountants

*R.S. Dalija*

**R.S. DALIYA**  
Proprietor  
Membership No.  
Place : Mumbai  
Date : 30/05/2012



For and on behalf of the board of Directors

*Brij Mohan Kabra*

**BRIJMOHAN KABRA**  
Director

*Kaushal Mehta*

**KAUSHAL MEHTA**  
Director

**SOBHAGYA MERCANTILE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2012**

PARTICULARS	Note No	For the Year ended on March 31, 2012 Rs.	For the Year ended on March 31, 2011 Rs.
<b>INCOME</b>			
Other Income	11	15,756	22,286
<b>Total Revenue</b>		<u>15,756</u>	<u>22,286</u>
<b>EXPENSES</b>			
Finance Costs	12	278	1,303
Depreciation and Amortization Expenses	6	1,632	2,246
Other expenses	13	90,594	80,615
<b>Total Expenses</b>		<u>92,504</u>	<u>84,164</u>
<b>Profit/Loss(-) before tax</b>		<u>(76,748)</u>	<u>(61,878)</u>
<b>Tax expenses:</b>			
Current tax		-	-
<b>Profit (Loss) for the period</b>		<u>(76,748)</u>	<u>(61,878)</u>
Earnings per equity share Basis and diluted	19	(0.32)	(0.26)
Significant accounting policies	1		
Other Notes on accounts from Nos. 14 to 25 are an integral part of the Financial Statements			

As per our report of even date,  
For **R. DALIYA & ASSOCIATES**  
Chartered Accountants

R. S. Daliya

**R.S. DALIYA**  
Proprietor  
Membership No.  
Place : Mumbai  
Date : 30/05/2012



For and on behalf of the board of Directors

Brij Mohan Kabra  
**BRIJMOHAN KABRA**  
Director

Kaushal Mehta  
**KAUSHAL MEHTA**  
Director



SOBHAGYA MERCANTILE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year Ended March 31, 2012		For the Year Ended March 31, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit after tax		(76,748)		(61,878)
Adjustments for :				
- Depreciation	1,632		2,246	
- Dividend received	15,756	(14,124)	22,286	(20,040)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>(90,872)</b>		<b>(81,918)</b>
(Increase)/Decrease in current assets				
Loans and Advances				
Increase/(Decrease) in current liabilities				
Trade Payables	7,256	7,256	(66,519)	(66,519)
<b>Net Cash used in Operating Activities</b>		<b>(83,616)</b>		<b>(148,437)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets				
Dividend Received	15,756.00	15,756	22,286.00	22,286
<b>Net Cash Generated From Investing Activities</b>		<b>15,756</b>		<b>22,286</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Unsecured Loan from Shareholder	85000		115800	
Repayment of Unsecured Loan Taken from Director				115,800
<b>Net Cash from Financing Activities</b>		<b>85,000</b>		<b>115,800</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>17,140</b>		<b>(10,351)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>		<b>13,136</b>		<b>23,487</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>		<b>30,276</b>		<b>13,136</b>

Notes: 1) The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India

2) Figures in brackets indicate cash outgo.

3) Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date,  
For **R. DALIYA & ASSOCIATES**  
Chartered Accountants

*R.S. Daliya*

**R.S. DALIYA**  
Proprietor  
Membership No.  
Place : Mumbai  
Date : 30/05/2012



For and on behalf of the board of Directors

*Brijmohan Kabra*

**BRIJMOHAN KABRA**  
Director

*Kaushal Mehta*

**KAUSHAL MEHTA**  
Director

# SOBHAGYA MERCANTILE LIMITED

## Note-1

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS:

#### 1. SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1 Basis of preparation of Financial Statements:-

(a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and as per the Accounting Standards referred to in Section 211(3C) of the Companies Act. All Assets and Liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle (i.e. 12 months) and other criteria as set out in the Revised Schedule VI of the Companies Act, 1956.

(b) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

##### 1.2 Fixed Assets:-

Fixed Assets are stated at cost less depreciation. The cost is inclusive of interest and incidental expenses incurred during construction period .

##### 1.3 Depreciation:-

Depreciation on all Tangible assets is provided on WDV Method as per Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. However, Depreciation on Assets purchased During the Year have been Provided at the Rates specified in the Schedule XIV to Companies Act, 1956.

##### 1.4 Investments:-

(a) Investments which are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as Long Term Investments.

(b) Long term investments are carried at cost.

(c) Current Investments are stated at lower of cost and fair market value.

##### 1.5 Valuation of Inventories:-

Items of inventories are valued at lower of cost or net realisable value. Cost of inventories comprise of all costs: purchase, cost of conversion and other costs incurred in bringing the inventory to their present condition.



## **1.6 Revenue Recognition:-**

Revenue (Income) is recognised only when it is reasonably certain that the ultimate collection will be made. Revenue and Expenses are accounted on an accrual basis and at historical cost, unless otherwise stated.

## **Sales:-**

Sales are recognised on despatch of material to customers. Sales are inclusive of Excise Duty and net of trade discount, rebates and indirect taxes payable. Rebates and discounts are accounted for as and when determined.

## **1.7 Expenses:-**

Material known liabilities are provided for on the basis of available information/estimates. Expenses are accounted on an accrual basis and at historical cost, unless otherwise stated.

## **1.8 Contingent Liabilities:-**

Contingent Liabilities are disclosed by way of Notes forming part of Accounts. Provision is made in the accounts for those liabilities which are likely to materialise after the year end till the Finalisation of accounts and having effect on the position stated in the Balance Sheet as at the year end.

## **1.9 Employee benefits :-**

The company has not provided for Gratuity and Leave encashment benefits till 31.03.2012. The retirement benefits will be debited as and when paid.

## **1.10 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 A/c.

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.



### **1.11 Borrowing Costs:-**

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

### **1.12 Taxes on Income:-**

Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration benefits admissible under the provisions of the Income - Tax Act, 1961.

Deferred tax liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is not recognised unless, in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

### **1.13 Earning per Share:-**

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings per share".

### **1.14 Segment Reporting:-**

The Company is operating in single segment.

### **1.15 Impairment Loss:**

Impairment loss is recognised wherever the Carrying Amount of an asset is in Excess of its recoverable amount as at the Balance Sheet Date.



SOBHAGYA MERCANTILE LIMITED

Notes to Financial Statements for the year ended 31 March, 2012

2 SHARE CAPITAL	As at 31st March, 2012		As at 31st March, 2011	
		Rs.	Rs.	Rs.
(1) <b>Authorised</b> 2,50,000 (2,50,000) Equity Shares of Rs. 10/- each		2,500,000		2,500,000
		<u>2,500,000</u>		<u>2,500,000</u>
(2) <b>Issued Capital :</b> 2,40,000 (2,40,000) Equity Shares of Rs. 10/- each		2,400,000		2,400,000
(3) <b>Subscribed and fully paid up Capital :</b> 2,33,050 (2,33,050) Equity Shares of Rs. 10/- each		2,330,500		2,330,500
(4) <b>Subscribed but not fully paid up Capital :</b> 6,950 (6,950) Equity Shares of Rs. 10/- each		34,750		34,750
<b>Total</b>		<u>2,365,250</u>		<u>2,365,250</u>

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

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Shares outstanding at the beginning of the year</b>	240,000	2,365,250	240,000	2,365,250
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares Outstanding at the end of the year</b>	<u>240,000</u>	<u>2,365,250</u>	<u>240,000</u>	<u>2,365,250</u>

2.2 Details of Calls unpaid

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Equity Shares with voting rights</b>				
- By Directors	-	-	-	-
- By Officers	-	-	-	-
- By Others	6,950	34,750	6,950	34,750
<b>Total Unpaid Calls</b>	<u>6,950</u>	<u>34,750</u>	<u>6,950</u>	<u>34,750</u>

2.2 Terms/Rights attached to equity shares:

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

During the year ended 31st March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2011 Rs. Nil)



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

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Vinita Bagrodia	72,800	30.33	72,800	30.33
Mangalam Exim P Ltd	48,530	20.22	48,530	20.22
Kumar Mangalam Bagrodia	33,700	14.04	33,700	14.04
Sitaram Agarwala	21,550	8.97	21,550	8.97
		<u>73.56</u>		<u>73.56</u>
		<b>As at 31st March, 2012 Rs.</b>		<b>As at 31st March, 2011 Rs.</b>

## 3 RESERVES AND SURPLUS

Surplus / (Deficit) in the statement of profit and loss As per last Balance Sheet	241,519	303,397
Add: Profit /Loss (-) for the current year	(76,748)	(61,878)
Net surplus / (Deficit) in the statement of profit and loss	<u>164,771</u>	<u>241,519</u>

## 4 Short-term Borrowings

<b>Unsecured Loans From:-</b>		
Related Parties	538,800	453,800
<b>Total</b>	<u>538,800</u>	<u>453,800</u>

## 5 Trade Payables

Other	20,668	13,412
<b>Total</b>	<u>20,668</u>	<u>13,412</u>



SOBHAGYA MERCANTILE LIMITED  
Notes forming part of the financial statements

6 Fixed assets

A.	Particulars	Gross block				Accumulated Depreciation				Net block	
		Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
		Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	<b>TANGIBLE ASSETS</b>										
	(a) Furniture and Fixtures Owned	116,434.00	-	-	116,434.00	114,243.00	396.00	-	114,639.00	1,795.00	2,191.00
	(b) Computer Owned	143,080.00	-	-	143,080.00	141,468.00	644.00	-	142,112.00	968.00	1,612.00
	(c) Office equipment Owned	34,078.00	-	-	34,078.00	30,467.00	504.00	-	30,971.00	3,107.00	3,611.00
	(c) Electrical Installations Owned	19,445.00	-	-	19,445.00	18,800.00	88.00	-	18,888.00	557.00	645.00
	<b>Total</b>	313,037.00	-	-	313,037.00	304,978.00	1,632.00	-	306,610.00	6,427.00	8,059.00
	<b>March 31, 2011</b>	313,037.00	-	-	313,037.00	302,732.00	2,246.00	-	304,978.00	8,059.00	10,305.00



**SOBHAGYA MERCANTILE LIMITED**

**7 Non-Current Investments**

	Face Value (Rs.)	As at March 31, 2012		As at March 31, 2011	
		Quantity Nos.	Rs.	Quantity Nos.	Rs.
<b>Non-trade Investments</b>					
<b>Quoted- Fully paid up (At Cost)</b>					
<b>a Investments in Equity Shares:</b>					
Arvind Products Limited	10	1,000	98,170	1,000	98,170
GSL Securities Limited	10	39,200	390,220	39,200	390,220
ICICI Bank Limited	10	10	90,270	10	90,270
Jai Prakash Associates Limited	2	7,500	21,000	7,500	21,000
BPCL	10	44	11,000	44	11,000
Issued in lieu of 100 shares of Kochi Refinery Limited	10		-		-
*Ray Industries Limited	10	550	11,600	550	11,600
Steel Authority of India Limited	10	5,000	404,500	5,000	404,500
<b>Total Quoted Investments</b>			<b>1,026,760</b>		<b>1,026,760</b>
<b>Aggregate Market Value of Quoted Investments</b>			<b>1,244,351</b>		<b>1,834,955</b>





**SOBHAGYA MERCANTILE LIMITED**

	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>8 Long Term Loans and Advances</b>		
(Unsecured, considered good)	1,971,250	1,971,250
<b>Total</b>	<b>1,971,250</b>	<b>1,971,250</b>
<b>9 Cash and Cash equivalents</b>		
Cash on Hand	13,892	2,611
Balance with Banks :		
- On Current Accounts	16,384	10,525
<b>Total</b>	<b>30,276</b>	<b>13,136</b>
<b>10 Short-term Loans and Advances</b>		
(Unsecured, considered good)		
a <u>Other Loans and Advances</u> :		
Income Tax and TDS	54,776	54,776
<b>Total</b>	<b>54,776</b>	<b>54,776</b>
	<b>For the Year ended on March 31, 2012 Rs.</b>	<b>For the Year ended on March 31, 2011 Rs.</b>
<b>11 Other Income</b>		
<b>Dividend Income :</b>		
From Long Term Investments	15,756	22,286
<b>Total</b>	<b>15,756</b>	<b>22,286</b>
<b>12 Finance Costs</b>		
Interest on Delayed payment	78	-
Others (Bank Charges)	200	1,303
<b>Total</b>	<b>278</b>	<b>1,303</b>
<b>13 Other expenses</b>		
Rates and taxes	2,500	2,500
Printing and stationery	2,304	2,272
Postage & Courier Charges	2,415	2,500
Legal Press Release Charges	11,946	12,929
Share Transfer expenses	17,648	17,648
Legal and professional	11,500	7,000
<b>Payments to auditors:-</b>		
a For Statutory Audit	5,000	5,000
b For Certification	6,000	4,000
ROC Filing Fees	1,500	2,500
Miscellaneous expenses	29,781	24,266
<b>Total</b>	<b>90,594</b>	<b>80,615</b>



## NOTES TO ACCOUNTS:-

### 14. Related Party Disclosure:-

#### (i) Particulars of Related Parties:

Name of the Related Party	Nature of Relationship
Mangalam Exim Private Limited	Share Holder

#### Companies under the same Management:-

- i) GSL Securities Limited - Associate Company

#### Key Managerial Personnel:-

- i) Mr. Kaushal Atul Mehta - Director  
ii) Mr. Brij Mohan Kabra - Director  
iii) Mr. Mukesh Kumar Nolkha - Director

#### (ii) Transactions with Related Parties:

- 1) Unsecured Loan taken from Shareholder, Mr. Kumaar Bagrodia Rs. 95,000/- (P.Y. Rs. 1,15,800, of which Rs. 10,000 (P.Y. Nil) has been repaid. Outstanding balance at the year end was Rs. 2,00,800/- (P.Y. Rs. 1,15,800/-).
- 2) Unsecured Loan taken from Shareholder, M/s. Mangalam Exim Pvt Ltd Rs. 6,696/- (P.Y. Rs. Nil) which has been repaid (P.Y. Rs. Nil). Outstanding balance at the year end was Rs. 3,38,000/- (P.Y. 3,38,000/-)

### 15. Auditors Remuneration:-

Particulars	(Rs.)	
	31st March ,12	31st March, 11
Audit Fees	5000	5000
Other Fees	-	-
Total Fees	5000	5000

16. Other information required under Part II of Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable to the Company.

17. Balance of Loans & advances, Sundry Debtors, Creditors, Banks, Current Liabilities & Current assets are subject to their confirmation. In absence of Proper address on records, we are unable to Verify the same through External Resources and accepted as certified by the Management.

18. The requirement regarding licenses & installed capacity is not applicable to the Company.

19. No employee is in receipt of remuneration aggregating to Rs. 24.00 Lacs/- p.a. if employed for the year and Rs. 2.00 Lacs/- p.m. if employed for the part of the year.

20. Quantitative information: Not Applicable.

21. Previous year's figures have been regrouped or rearranged wherever considered necessary.



22. Basic & Diluted Earning per share Rs. - 0.32 as below :

Number of Equity Shares at beginning	240000
Number of Equity Shares at end	240000
Weighted Average Number of Equity Shares	240000
Face Value Rs.10 Each	
Loss	Loss Rs. 76748
Basic & diluted Earning Per Share (Loss)	( 0.32)

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

24. Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation under the prevailing tax laws are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The details of Deferred Tax Assets / (Liabilities) are as under :

WDV as per books as on 31.03.2012	6427
WDV as per IT as on 31.03.2012	8085
Bal	1658
Carried forward Business losses /unabsorbed dep	435635
Total	437293
Deferred tax Asset as on 31.03.2011@ 30.90%	135124
Less : Deferred Tax Asset as on 31.03.2011	66097
For the Year	69027

In view of lack of reasonable certainty that future taxable income will arise, no deferred tax assets have been recognized.

25. In the opinion of the Board of Directors Current Assets Loan & advance are approximately of the value stated in the Balance sheet if realized in the ordinary course of business.

26. Contingent Liabilities- NIL

27. Foreign Currency Transactions - NIL

As per our report of even date

For R. DALIYA & ASSOCIATES  
CHARTERED ACCOUNTANTS

*R.S. Daliya*  
R.S. DALIYA  
PROPRIETOR

PLACE : MUMBAI  
DATE : 30.05.2012



For SOBHAGYA MERCANTILE LTD

*Brij Mohan Kabra*  
BRIJ MOHAN KABRA  
DIRECTOR