SOBHAGYA MERCANTILE LIMITED

To,
The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

Date: 05th September, 2026

Subject: - Submission of Annual Report for the financial year 2025-26 along with Notice of the 42nd Annual General Meeting ('AGM') of the Company.

Scrip Code: 512014 (SOBHAGYA MERCANTILE LTD.)

Dear Sir / Madam,

Pursuant to Regulation 34(1) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find enclosed herewith the Annual Report for the financial year 2025-26 along with Notice of the 42nd Annual General Meeting of the Company to be held on Tuesday, 29th September, 2026 at 11:30 A.M.(IST) through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM').

The Annual Report for the financial year 2025-26 and Notice of the 42nd AGM are being sent electronically to the members, whose email IDs are registered with the Company /Purva Sharegistry (I) Pvt. Ltd., Registrar and Share Transfer Agent of the Company / Depository Participants and Depositories and the same can be accessed on the Company's website at www.sobhagyaltd.com.

Further, in terms of Reg 36(1)(b) of the Listing Regulations, the Company is also sending a letter providing a web-link, including the exact path of the Annual Report for Financial Year 2025-26 and the Notice of the 42nd Annual General Meeting of the Company, to those members who have not registered their e-mail addresses with the Company/RTA/DPs/Depositories.

This is for the information and records of the Exchange.

Thanking you.

Yours Faithfully
For SOBHAGYA MERCANTILE LIMITED

Shrikant
Mitesh
Bhangdiya

Digitally signed by Shrikant Mitesh Bhangdiya
DN: c=IN, o=Personal, title=6917,
pseudonym=80zgtcab3ki6xnf2wedvhm5l4sr197qy,
2.5.4.20=1df5c197c66f143b5ec23b6ff6d820ee2dc9406054b3ab550ae5213d582dd06c,
postalCode=440012, st=Maharashtra,
serialNumber=5d9e0a7427e258d928753f6f2dd3f35d97e8f4192305e1d47303181093fe472e,
cn=Shrikant Mitesh Bhangdiya
Date: 2026.09.05 14:31:32 +05'30'

Shrikant Mitesh Bhangdiya
Managing Director
(DIN-02628216)

2025-26
ANNUAL REPORT
SOBHAGYA MERCANTILE LIMITED

022-45694785
www.sobhagyaltd.com
sobhagyamercantile9@gmail.com

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KEY FY 2025-26 HIGHLIGHTS

FINANCIAL SUMMARY/HIGHLIGHTS

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

23,509.59 Lakhs
TOTAL REVENUE

3,271.03 Lakhs
PROFIT BEFORE TAX

2,203.87 Lakhs
PROFIT AFTER TAX

15.33 %
EBITDA Margin

15.49 %
CAGR 3 years

41.90 %
PROFIT AFTER TAX YoY Growth

LAYING THE FOUNDATION FOR A STRONGER NATION

Forward Looking Statement

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes,' 'estimates,' 'anticipates,' 'expects,' 'intends,' 'may,' 'will,' 'plans,' 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

ABOUT SML

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

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

MISSION

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

VISION

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

CORPORATE INFORMATION

CORE VALUES

Positive Attitude:
Approaching challenges with optimism and a solution-oriented mindset.

Delivering on Promise:
Fulfilling our commitments to clients, partners, and employees with reliability and consistency.

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

Excellence:
Pursuing perfection in all endeavors, striving for continuous improvement.

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

GROWTH STRATEGIES

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

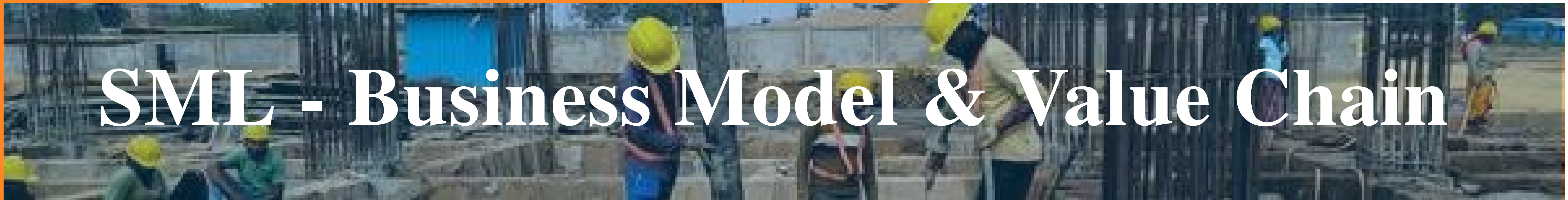
Expand geographic reach within India to capture untapped opportunities.

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

Product/Service Expansion:
Diversify product offerings within the steel manufacturing segment (value-added steel products, steel components).

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

BUSINESS VERTICALS



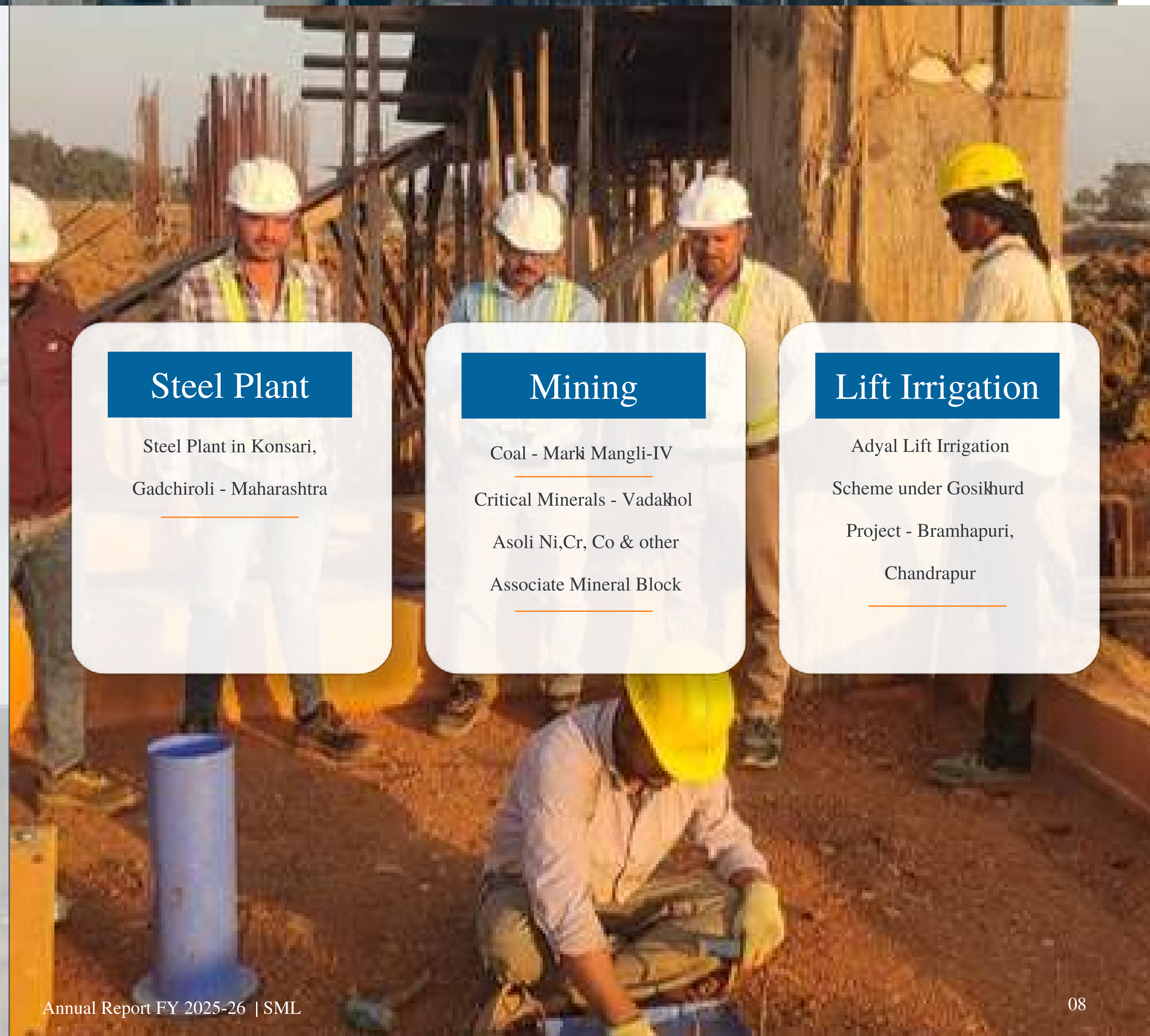
SML - Business Model & Value Chain

1 **Inputs & Resources:** Raw material reserves, fleet of modern machinery, energy blocks (Marki Mangli-IV coal mine), and manufacturing assets (Gadchiroli Steel Project).

2 **Core Operations:** Infrastructure construction (roads, bridges, irrigation), contract mining, B2B equipment leasing, and integrated steel production.

3 **Value Outputs & Clients:** High-grade civil infrastructure delivered via EPC and Hybrid Annuity Models (HAM), commercial steel products, leased plant machinery, and engineering consultancy services.

4 **Strategic Advantage:** Backward integration into raw materials and machinery deployment reduces external dependency, stabilizes operating margins, and accelerates timeline delivery.



Steel Plant

Steel Plant in Konsari,

Gadchiroli - Maharashtra

Mining

Coal - Marki Mangli-IV

Critical Minerals - Vadakhol

Asoli Ni,Cr, Co & other

Associate Mineral Block

Lift Irrigation

Adyal Lift Irrigation

Scheme under Gosikhurd

Project - Bramhapuri,

Chandrapur

BUSINESS VERTICALS

DIVERSE OFFERINGS SOWING SEEDS OF TRANSFORMATION

Business Solutions:

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

BUSINESS VERTICALS

INFRASTRUCTURE CONSTRUCTION

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

INFRASTRUCTURE ENGINEERING

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

CONSTRUCTION MATERIAL: PRODUCTION & SUPPLY

The company operates a fully functional metal stone crushing unit, delivering high-quality aggregates and precisely graded crushed stone to support critical infrastructure projects across the region. Equipped to meet the rigorous demands of both government and private sector developments, the facility supplies specification-grade materials essential for roads, highways, bridges, and urban infrastructure. By ensuring a reliable, uninterrupted supply of durable materials, this vertical strengthens our backward integration strategy, reduces reliance on external suppliers, and positions the company to capitalize on India's accelerating infrastructure growth.

STEEL MANUFACTURING

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

BUSINESS VERTICALS

MINING: (COAL & CRITICAL MINERALS MINING)

SML's entry into the mining sector aligns with India's energy security agenda and critical minerals framework Our portfolio spans two complementary verticals: coal mining and critical minerals specifically Nickel (Ni), Chromium (Cr), and Cobalt (Co). The Company has been allotted the Marki Mangli-IV coal block and is undertaking pre-development activities, including obtaining the requisite statutory and regulatory approvals.

Complementing this, securing the Vadakhol Asoli Composite Block in Maharashtra establishes our footprint in critical minerals vital for EV batteries, defense, and high-tech manufacturing. This integrated mining strategy provides long-term resource security, reduces reliance on external suppliers, and strengthens SML's position across the national infrastructure and clean energy value chains.

EQUIPMENT LEASING

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

BUSINESS VERTICALS

Engineering Segment

18,725.13

₹ in Lakhs

Metal Sale (Stone Crusher) Segment

4,525.28

₹ in Lakhs

Revenue from Operations

23,250.41

₹ in Lakhs

BUSINESS STRENGTHS

- **Strong Infrastructure Expertise:**

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

- **Diverse Portfolio:**

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

- **Financial Performance:**

The Company maintained profitability during FY 2025-26, supported by growth in its core operations.

- **Customer Focus:**

A strong commitment to understanding and meeting customer needs.

- **Geographical Reach:**

Presence in key markets with opportunities for expansion.

- **Experienced Leadership:**

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

MANAGING DIRECTOR'S LETTER

Dear Shareholders,
It is my pleasure to present to you our Annual Report for Financial Year 2025- 26 and reflect on our performance for the year. Diversification-led progressive growth represents our strategic evolution for expanding horizons, embracing innovation, and pursuing sustainable growth.

Shrikant Mitesh Bhangdiya
Managing Director

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

Global economic growth remained resilient amid persistent inflationary pressures, divergent monetary policies and geopolitical uncertainties. While growth in several advanced economies remained subdued, India continued to demonstrate resilience, achieving GDP growth, driven by strong domestic demand, capital expenditure, and robust manufacturing activity.

The Union Budget 2026-27 reaffirmed the government's commitment to infrastructure-led growth, with public capital expenditure increased to ₹12.2 lakh crore, up 11.5% over the FY 2025-26 revised estimate, continuing to account for approximately 3.1% of GDP. This sustained focus on infrastructure is expected to catalyse economic activity, spur private sector participation, and create employment opportunities, areas directly aligned with our strategic priorities.

Operationally, we continued strong execution across our road infrastructure portfolio in Chandrapur District, Maharashtra, spanning the NAG 182 Road Project, the NAG 167 Road Project, and the NAG 176 Road Project. We also secured a new order - Nandgaon Khandeshwar Rajura-Chandur Railway Kurha Road project, awarded to our joint venture, M/s. SRK-SVS, by the Maharashtra State Infrastructure Development Corporation (MSIDC) for a project value of ₹219.78 crore, covering 49.5 km of road improvement.

Our mining segment advanced meaningfully during the year. Following the successful completion of the public hearing for the Marki Mangli-IV coal mine in the District Yavatmal, Maharashtra. The Company has received Environmental Clearance from the Ministry of Environment, Forest and Climate Change (MoEF&CC) vide File/ letter dated 07th August, 2026. We also took a significant step into critical minerals with the incorporation of Vadakhol Asoli Mining Private Limited in Nagpur to execute a composite Nickel, Chromium, Cobalt, and other associated mineral block project in Maharashtra, which has now become a subsidiary of the Company.

In our steel manufacturing ambitions, we have applied for industrial land for our Mega Steel Project at Konsari, Gadchiroli, with the Maharashtra Government assuring its allotment, a key step forward in scaling this strategic initiative.

We also diversified into irrigation infrastructure this year, with our joint venture, M/s. Adyal L.I.S. JV in which the Company holds a 40% stake alongside S. S. Fabricators & Manufacturers Private Limited (60%), received work order for the Construction of Adyal Lift Irrigation Scheme under the Gosikhurd Project, Tal. Bramhapuri, Dist. Chandrapur. This order, valued at approximately ₹260.53 crore, is to be executed over 33 months and marks our entry into the irrigation sector.

In equipment leasing, our fleet of modern construction and mining machinery continued to meet diverse project requirements, enabling clients to optimise capital deployment. Our material production segment consistently supplied high-quality aggregates for infrastructure projects, reinforcing our reputation for reliability and quality.

Our financial performance in FY 2025-26 was robust, driven by operational scale and disciplined project execution. Revenue from Operations expanded by 47.82% to ₹23,250.41 lakhs (vs. ₹15,728.42 lakhs in FY 2024-25). Core operational profitability also grew strongly, with EBITDA rising 39.63% to ₹3,564.07 lakhs (vs. ₹2,552.57 lakhs in FY 2024-25); however, EBITDA margin moderated from 16.23% to 15.33% as the topline grew faster than operating profit. Highlighting our bottom-line resilience, Profit After Tax (PAT) grew 41.90% YoY to reach ₹2,203.87 lakhs (vs. ₹1,553.08 lakhs in the previous fiscal year). This consistent, broad-based growth across the P&L reflects the strength of our business model and reinforces our confidence in the Company's ability to scale profitably in the years ahead.

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

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

Warm Regards,
Shrikant Mitesh Bhangdiya
Managing Director

OUR MANAGEMENT

MR. SHRIKANT MITESH BHANGDIYA

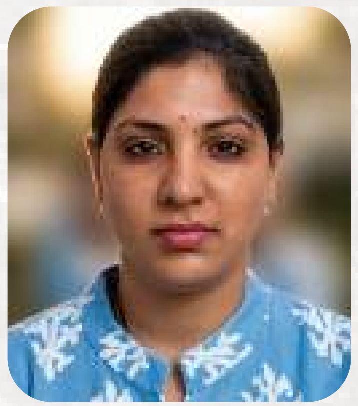
Managing Director

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

MRS. SONAL KIRTIKUMAR BHANGDIYA

Director

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



MRS. AARTI SHRIKANT BHANGDIYA

Additional Director

Mrs. Aarti Shrikant Bhangdiya holds a Bachelor of Commerce (B.Com.) degree and possesses more than 10 years of experience in business management, strategic planning, operational oversight, corporate Governance, and related commercial activities

MR. PRASHANT KUMAR LAHOTI

Independent Director

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

MR. RUPESH MALPANI

Independent Director

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

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Shrikant Mitesh Bhangdiya	Managing Director	DIN: 02628216
Mrs. Sonal Kirtikumar Bhangdiya	Non-Executive Non-Independent Director	DIN: 03416775
Mr. Prashant Kumar Lahoti	Non-Executive Independent Director	DIN: 00091140
Mr. Rupesh Prakash Malpani	Non-Executive Independent Director	DIN: 08471166
Mrs. Aarti Shrikant Bhangdiya	Additional Director (Non-Executive Non-Independent Director)	DIN: 03407301
Mr. Anil Khawale	Chief Financial Officer ('CFO')	PAN: AESPK9850L
Ms. Shalinee Singh	Company Secretary and Compliance Officer ('CS')	PAN: CFOPS2367P

REGISTERED OFFICE:

U.N.- 1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg,
Lower Parel, Delisle Road,
Mumbai - 400013, Maharashtra, India

CORPORATE OFFICE ADDRESS:

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

CIN: L45100MH1983PLC031671

STATUTORY AUDITORS:

M/s. Joshi & Shah
Chartered Accountants
(Firm Registration No. 144627W)
101,1st Floor, Trimurti, Nr. H P Gas Agency,
Ghanshyam Gupte Road,
Dombivli (W) - 421202, Maharashtra, India.

INTERNAL AUDITORS:

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

SECRETARIAL AUDITOR:

PDTS & Associates, Company Secretaries
(Firm Registration No.: P2025MH104400)
Plot Q 22, Flat No.402,
Laxmi Vasudev Apartment, Laxminagar,
Nagpur – 440022, Maharashtra, India.

BANKERS:

Bank of Baroda, Laxminagar Branch, Nagpur
Indian Bank, Gandhibagh Branch, Nagpur

REGISTRAR & SHARE TRANSFER AGENTS:

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

ANNUAL GENERAL MEETING:

42nd Annual General Meeting
Date: Tuesday, 29th September, 2026
Time: 11:00 a.m. (IST)
Through Video Conferencing ('VC')/ Other Audio – Visual Means ('OAVM')

E-VOTING PERIOD :

Commences on:
Saturday, 26th September, 2026
at 09:00 a.m. (IST)
Closes on:
Monday, 28th September, 2026
at 05:00 p.m. (IST)

LISTED AT:

Bombay Stock Exchange Limited

DEMAT ISIN NUMBER IN NSDL & CDSL:

INE754D01018

WEBSITE:

www.sobhagyaltd.com

INVESTOR E-MAIL ID:

sobhagyamercantile9@gmail.com

NOTICE

Notice is hereby given that the 42nd Annual General Meeting ('AGM') of the Members of M/s. Sobhagya Mercantile Limited ('the Company') will be held on **Tuesday, the 29th day of September, 2026 at 11.30 A.M.** (IST) through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM') to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026, together with the Reports of the Board of Directors' and Auditors' thereon.

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

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026, together with the Reports of the Board of Directors' and Auditors' thereon, as circulated to the Members, be and are hereby received, considered and adopted."

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

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

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

SPECIAL BUSINESS:

3. Ratification of Remuneration of Cost Auditor

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Cost Records and Audit) Rules, 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, regulations, circulars and notifications issued thereunder, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the remuneration payable to M/s L M A & Associates, Cost Accountants, Bhandara (Firm Registration No. 04014), appointed as the Cost Auditor of the Company for conducting the audit of the cost accounting records of the Company for the financial year 2026-27, at a remuneration of Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, as approved by the Board of Directors, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any person authorized by the Board, be and is hereby authorized severally, to take all such steps and do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution."

4. Appointment of Mrs. Aarti Shrikant Bhangdiya (DIN-03407301) as a Non-Executive Non-Independent Director of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time, in line with the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), who was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director by the Board of Directors with effect from 14th August, 2026, who holds office up to the date of this Annual General Meeting in terms of section 161 of the Act and in respect of whom, the Company has received a notice in writing under section 160(1) of the Act from a Member proposing her candidature for the office of a Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized, to take all such steps and do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution."

5. Approval for payment of remuneration to Non-Executive Directors of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198, and other applicable provisions, if any, of the Companies Act, 2013('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company ('Board') and such other approvals as may be required, consent of the Members of the Company be and is hereby accorded for payment of remuneration/compensation by way of profits-related commission, or otherwise as permissible, to the Non-Executive Directors, (including Independent Directors),including present and future appointees, for a period of 3 (three) years commencing from the financial year 1st April, 2026 to 31st March, 2029, in such proportion and manner and up to such extent as the Board or any Committee thereof may determine for each relevant financial year.

RESOLVED FURTHER THAT the aggregate remuneration payable by way of profit-related commission or otherwise as permissible to all Non-Executive Directors (including Independent Directors) shall not exceed 1% (one per cent) of the net profits of the Company for each financial year, as computed in accordance with Section 198 of the Act.

RESOLVED FURTHER THAT the aforesaid limit/remuneration shall be exclusive of sitting fees payable to the Non-Executive Directors under Section 197(5) of the Act and reimbursement of expenses incurred for attending meetings of the Board of Directors and Committee(s) thereof, or for such other purposes as may be approved by the Board, in accordance with the provisions of the Act and the Listing Regulations.

RESOLVED FURTHER THAT where applicable, the Company shall comply with the requirements of Regulation 17(6) (ca) of the Listing Regulations in respect of any Non-Executive Director whose annual remuneration exceeds the threshold prescribed thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized, to take all such steps and do all such acts, deeds, things and matters as may be considered necessary, desirable or expedient for the purpose of giving effect to the above resolution."

6. Approval of charges for the service of documents to the shareholders.

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

"**RESOLVED THAT** pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with applicable rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other Laws, Rules, Regulations etc. as may be applicable, whereby a document may be served on any shareholder by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his/her registered address or by such electronic or other permitted mode as may be prescribed, consent of the shareholders be and is hereby accorded to the Company to charge/levy fee(s) from the member in advance, a sum equivalent to the estimated actual expenses, of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him/her, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the shareholder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Director or any Key Managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By order of the Board of Directors
For Sobhagya Mercantile Limited

Place : Mumbai
Date: 2nd September, 2026

Sd/-
Shalinee Singh
Company Secretary
Membership No.: A59815

Registered Office: U.N.- 1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel, Delisle Road,
Mumbai - 400013, Maharashtra, India
CIN: L45100MH1983PLC031671
Website: www.sobhagyaltd.com
Email - sobhagyamercantile9@gmail.com

NOTES

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (‘the Act’), as amended, setting out the material facts concerning the business with respect to Item Nos. 3,4,5 and 6 forms part of this Notice. Further, relevant information pursuant to Regulation 36 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the ‘Listing Regulations’) and disclosure requirements in terms of Secretarial Standard on General Meetings (‘SS-2’) issued by the Institute of Company Secretaries of India, in respect of Director retiring by rotation and seeking appointment at this Annual General Meeting (‘AGM’) is furnished as Annexure to this Notice.

2. The Ministry of Corporate Affairs (‘MCA’), inter alia, vide its General Circular No(s). 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2022 dated 05th May, 2022, 09/2024 dated 19th September, 2024 and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated 22nd September, 2025 (collectively referred to as ‘MCA Circulars’), has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

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

In compliance with the applicable provisions of the Act, Listing Regulations, MCA Circulars and SEBI Circulars, the 42nd AGM of the Company is being held through VC/OAVM on **Tuesday, 29th September, 2026 at 11:30 a.m. (IST).** The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at U.N.- 1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013, Maharashtra, India.

3. Since this AGM is being held pursuant to the MCA Circulars read with applicable SEBI Circulars, through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, **the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.** However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to join the meeting by logging into the NSDL e-voting website at www.evoting.nsdl.com .

The facility for participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

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

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

8. In compliance with the aforesaid MCA Circulars and the applicable SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2025-26 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / the Registrar and Share Transfer Agent (RTA) of the Company / Depositories / their respective Depository Participant(s) and a letter will be sent by the Company providing the web-link, including the exact path where complete details of the Annual Report including the Notice of the AGM for F.Y. 2025-26 is available, to those shareholder(s) who have not registered their e-mail address with the Company/the Registrar and Share Transfer Agent(RTA)/ Depositories/Depository Participants. The Company shall send physical copy of the Annual Report for FY 2025-26 to those Members who request for the same at sobhagyamercantile9@gmail.com or raises request with the RTA - M/s. Purva Sharegistry (I) Private Limited at support@purvashare.com mentioning their Folio No./DP ID and Client ID. Members may note that the Notice and the Annual Report for the financial year 2025-26 are available on the website of the Company at www.sobhagyaltd.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and also on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.

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

10. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, 23rd September, 2026 to Tuesday, 29th September, 2026(both days inclusive).**

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

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

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

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as of the cut-off date i.e. Tuesday, 22nd September, 2026 will be entitled to vote at the AGM.

15. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in DEMAT mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their DEMAT account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Share Transfer Agent (M/s. Purva Sharegistry (I) Private Limited).

16. The Securities and Exchange Board of India issued a circular for submission of Aadhaar number by every participant in securities market. Members holding shares in DEMAT form are,

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

17. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Purva Sharegistry (I) Private Limited, Share Transfer Agents of the Company for doing the needful.

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

19. The members may kindly note that no gifts or gift coupons or cash in lieu of gifts will be distributed at or in connection with the AGM.

20. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the Registrar and Share Transfer Agent of the Company and correspond with them directly regarding share transfer/transmission /transposition, DEMAT / REMAT, change of address, issue of duplicate shares certificates, ECS and nomination facility.

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

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

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

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

23. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and relevant documents referred to in the Notice of this AGM will be available electronically (scanned copy) for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to sobhagyamercantile9@gmail.com by mentioning name and Folio number/DP ID and Client ID.

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

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

The remote e-voting period begins on Saturday, 26th September, 2026 at 09:00 A.M.(IST) and ends on Monday, 28th September, 2026 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 22nd September, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 22nd September, 2026.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on

"Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

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

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** .

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12************** .
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** .

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

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

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

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

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

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

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

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

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to team@pdts.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

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

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

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

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

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

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

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

The Instructions for members for e-voting on the day of the AGM are as under: -

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

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

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

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

Instructions for members for attending the egm/agm through VC/OAVM are as under:

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

forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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

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

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

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **sobhagyamercantile9@gmail.com.** The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ask questions during the meeting may pre -register themselves as a speaker by sending their request in **advance at least 10 days prior** to meeting mentioning their name, DP ID and Client ID /folio number, PAN, email id, mobile number at Company's registered email id i.e. **sobhagyamercantile9@gmail.com**. Only those Shareholders who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement pursuant to Section 102 of the Companies Act 2013, sets out all material facts relating to Special Business mentioned in the accompanying notice of the AGM.

Item No. 3:

The Board of Directors of the Company at their meeting held on 02nd September, 2026, on the recommendation of the Audit Committee, approved the appointment of **M/s L M A & Associates, Cost Accountants, Bhandara (Firm Registration No. 04014)** as the Cost Auditor of the Company for conducting the audit of the cost accounting records of the Company for the financial year **2026-27**, at a remuneration of **Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses.**

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the applicable provisions of the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor, as approved by the Board of Directors, is required to be subsequently ratified by the members of the Company.

Accordingly, the consent of the members is sought for ratification of the remuneration payable to M/s L M A & Associates, Cost Accountants, Bhandara (Firm Registration No. 04014) for conducting the cost audit of the Company for the financial year 2026-27, by passing the Ordinary Resolution as set out at Item No. 3 of the accompanying Notice.

The Company has received from the Cost Auditor, inter alia, confirmation regarding their eligibility and consent for appointment as Cost Auditor of the Company and that they are not disqualified from being appointed as Cost Auditor under the applicable provisions of the Act and the rules made thereunder.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution set out at Item Number 3 of the Notice.

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

Item No. 4:

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), as an Additional Director in the capacity of Non-Executive Non-Independent Director of the Company, liable to retire by rotation, with effect from 14th August, 2026 in terms of Section 161(1) of the Companies Act, 2013.

Pursuant to Section 161(1) of the Act, Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), holds office up to the date of this Annual General Meeting ('AGM'). The Company has received a notice in writing under section 160(1) of the Act, from a Member, proposing her candidature for the office of Director. Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), has consented for her appointment as a Non-Executive Non-Independent Director of the Company and has confirmed that she is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mrs. Aarti Shrikant Bhangdiya holds a Bachelor of Commerce (B.Com.) degree and possesses more than 10 years of experience in business management, strategic planning, operational oversight, corporate Governance, and related commercial activities.

She is not debarred from holding the office of Director by virtue of any SEBI order or order by any other competent authority.

Details of Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), as per the requirement of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is provided in Annexure to the Notice.

The Board of Directors is of the opinion that of Mrs. Aarti Shrikant Bhangdiya expertise and experience will be beneficial to the Company.

Keeping in view the above and in terms of Listing Regulations, consent of the Members for appointment of Mrs. Aarti Shrikant Bhangdiya (DIN-03407301), as a Non-Executive Non-Independent Director, liable to retire by rotation, is sought by way of ordinary resolution, as set out in the resolution at Item No. 4 of the accompanying Notice.

Except Mrs. Aarti Shrikant Bhangdiya, being an appointee herself, Mr. Shrikant Mitesh Bhangdiya, Husband and Mrs. Sonal Kirtikumar Bhangdiya, Sister-in-Law and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 4 of the Notice.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

Item No. 5:

Pursuant to Sections 197 and 198, and other relevant provisions of the Companies Act, 2013 ('the Act') read with applicable rules made thereunder, Regulation 17(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'), and taking into account the roles and responsibilities of the Directors, it is proposed that the remuneration by way of profits- related commission, or otherwise as permissible, be paid, to all the Non-Executive Directors (including independent directors) of the Company, at a sum not exceeding one per-cent of the Net Profits of the Company per annum, as prescribed under Section 197 of the Act and wherein the 'Net Profits' shall be computed in the manner laid down in Section 198 of the Act for each relevant financial year, for a period of three years, commencing from 1st April 2026 up to 31st March 2029, subject to the provisions of the Act and Listing Regulations. The quantum of remuneration payable to each of the Non-Executive Director shall be fixed and decided by the Board of Directors, after considering the recommendations of the Nomination and Remuneration Committee, and considering attendance, type of meeting, preparations required, etc. This remuneration shall be in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors and/or Committees thereof, or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

The Company will comply with the requirements of Regulation 17(6) (ca) of the Listing Regulations in respect of any Non-Executive Director whose annual remuneration exceeds the threshold prescribed thereunder.

Approval of the Members is sought by way of a special resolution under the applicable provisions of the Act, and the Listing Regulations for payment of remuneration by way of profits-related commission, or otherwise as permissible to the Non-Executive Directors, as set out in the resolution at Item No. 5 of the accompanying Notice.

Non-Executive Directors and their relatives may be deemed to be concerned or interested in this resolution to the extent of the remuneration that may be received by them. Save and except the above and Mr. Shrikant Mitesh Bhangdiya, none of the other Directors, Key Managerial Personnel and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 5 of the Notice.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

Item No. 6:

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for delivery of any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its Annual General Meeting.

Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the shareholder to the Company.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

By order of the Board of Directors
For Sobhagya Mercantile Limited

Place : Mumbai
Date: 2nd September, 2026

Sd/-
Shalinee Singh
Company Secretary
Membership No.: A59815

Registered Office: U.N.- 1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013, Maharashtra, India
CIN: L45100MH1983PLC031671
Website: www.sobhagyaltd.com
Email - sobhagyamercantile9@gmail.com

ANNEXURE TO THE NOTICE

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

i)

Name of the Director	Mrs. Sonal Kirtikumar Bhangdiya
DIN	03416775
Date of Birth and Age	08/12/1981, 45 years
Nationality	Indian
Date of First Appointment on Board	9/8/2019
Qualification	B. Com
Expertise in specific functional areas Experience	She is a Commerce Graduate and comes from a family of industrialists and has a rich experience over 10 years in business.
Directorships held in other companies as on the date of the Notice	1.MKS Oterri Private Limited 2.Highstone Commercials Private Limited 3.Vadakhol Asoli Mining Private Limited
Chairmanship / Membership of committees of the Board of other companies in which she is a director	None
Board position held	Non-Executive-Non-Independent Director
Terms and conditions of appointment/re-appointment	Proposed to be re-appointed as a Non-Executive Non-Independent Director, liable to retire by rotation
Number of shares held in the Company (including shareholding as a beneficial owner) as on the date of the Notice	1,099,569
Number of Board Meetings attended during the financial year 2025-26	12 of 12 (twelve of twelve)
Remuneration last drawn	12 lakhs
Listed entities from which the Director has resigned in the past three years	None
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the company	Sister-in-law of Mr. Shrikant Mitesh Bhangdiya and Aarti Shrikant Bhangdiya

ii)

Name of the Director	Mrs. Aarti Shrikant Bhangdiya
DIN	03407301
Date of Birth and Age	20/01/1985, 41 years
Nationality	Indian
Date of First Appointment on Board	14/8/2026
Qualification	B. Com
Expertise in specific functional areas Experience	Mrs. Aarti Shrikant Bhangdiya holds a Bachelor of Commerce (B.Com.) degree and possesses more than 10 years of experience in business management, strategic planning, operational oversight, corporate Governance, and related commercial activities
Directorships held in other companies as on the date of the Notice	1. MKS Industries Limited 2.MKS Krishi-360 Private Limited 3.MKS O-Pay Private Limited
Chairmanship / Membership of committees of the Board of other companies in which she is a director	None
Board position held	Non-Executive Non-Independent Director
Terms and conditions of appointment/re-appointment	Proposed to be appointed as a Non-Executive Non-Independent Director, liable to retire by rotation
Number of shares held in the Company (including shareholding as a beneficial owner) as on the date of the Notice	1,099,569
Number of Board Meetings attended during the financial year 2025-26	Not Applicable
Remuneration	Sitting fees as may be approved by the Board from time to time. Remuneration by way of profits -related commission, or otherwise as permissible, be paid, as per the limits approved by the Members in the Annual General meeting to be held on 29th September, 2026
Listed entities from which the Director has resigned in the past three years	None
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the company	Wife of Mr. Shrikant Mitesh Bhangdiya and Sister-in-Law of Sonal Kirtikumar Bhangdiya

DIRECTORS' REPORT

To,
The Members,
Sobhagya Mercantile Limited

The Board of Directors hereby present the report of the business and operations of your Company ('the Company' or 'Sobhagya') along with the Audited Financial Statements for the financial year (F.Y.) ended 31st March, 2026.

1. Financial Summary/Highlights:

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

(Rupees in Lakhs)

Particulars	F.Y.2025-26	F.Y.2024-25
Total Income	23509.59	16040.73
Less: Total Expenses	20238.56	13,656.60
Profit/(Loss) before tax	**3271.03**	**2384.12**
Less: Tax Expenses	1067.16	831.04
Profit/(Loss) after tax	**2203.87**	**1553.08**
Add: Other comprehensive Income, net of tax	6.96	5.04
Profit/Loss and other comprehensive income during the year	**2210.83**	**1558.12**

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

During the year under review, the Company achieved a total income of Rs. 23509.59 Lakhs and a profit of Rs. 2210.83 Lakhs, reflecting an increase from the previous year's income of Rs. 7468.86 Lakhs and profit of Rs. 652.71 Lakhs. The Company remains focused on improving its profitability and operational performance in the coming years through strategic initiatives, operational efficiencies and a comprehensive approach towards sustainable and long-term growth.

3. Dividend:

The Board of Directors does not recommend any dividend on equity share capital for the financial year 2025-26.

4. Transfer to Reserves:

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

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year as on 31st March, 2026 and the date of this report, except that the Company has received Environmental Clearance (EC) from the Ministry of Environment, Forest and Climate Change (MOEF&CC) vide File /letter no. IA-J-11015/45/2023-IA-II(M) dated 07th August, 2026 for Marki Mangli IV Coal Mine for the production capacity of 0.2 MTPA within the ML Area of 201.69 ha. located in District-Yavatmal, Maharashtra.

During The Year 2025-26:

The Board of Directors at their meeting held on 01st November, 2025, approved the change in the Registered Office of the Company from "B-61, Floor 6, Plot No 210, B Wing, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai- 400021, Maharashtra, India" to "U.N.-1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India within the local limits of Mumbai city.

6. Significant & Material Orders passed by the Regulators or Courts or Tribunals:

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

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

There is no such amount of Un-paid or Unclaimed Dividend/Shares to be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2026.

8. Revision of Financial Statements:

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

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

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

10. Deposits from Public:

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

11. Subsidiaries, Associates and Joint Ventures:

The Company has no subsidiary, associate or joint venture as at 31st March, 2026.

However, during the year under review, the Board of Directors of the Company has approved certain proposals relating to the incorporation of a Special Purpose Vehicle (SPV) in the form of a Private Limited Company (Subsidiary), investment in promoter group SPVs out of the funds received pursuant to the preferential issue of convertible warrants into equity shares (Associates) and participation in the tender in the name & style of Adyal L.I.S. JV (Joint Venture). The actual incorporation of Subsidiary and receipt of work order by the Joint Venture took place subsequent to 31st March, 2026. The details are as under:

a) Incorporation of Subsidiary:

During the year under review, the Board of Directors of the Company, at their meeting held on 14th November, 2025, approved the incorporation of a Special Purpose Vehicle (SPV) in the form of a Private Limited Company as consortium of 'Sobhagya Mercantile Limited and Caliber Mining and Logistics Limited' in terms of the requirement of Letter of Award bearing (TENDER ID:2025_MMD-45645_1 dated 16-07-2025), for project improvement to 'Obtaining Composite License, Prospecting, Preparation of Geological Report, Mining Plan approval & other Statutory permission & Land acquisition, Drilling, excavation, transportation, supply of the Mineral as MDO and sale of the mineral on revenue sharing basis with AMDCL (The Assam Mineral Development Corporation Limited) from the block, Vadakhol Asoli Ni, Cr, Co & other Associated Mineral Block, Maharashtra' under the Proposed name 'Vadakhol Asoli Mining Private Limited'.

Accordingly, the Company incorporated Vadakhol Asoli Mining Private Limited as its subsidiary on 25th April, 2026 by subscribing 60% equity shares.

The subsidiary has been incorporated under the provisions of the Companies Act, 2013, having its registered office situated at Nagpur, Maharashtra. The Certificate of Incorporation was issued by the Ministry of Corporate Affairs, Government of India, on 25th April, 2026.

Consequently, Vadakhol Asoli Mining Private Limited became a Subsidiary of the Company with effect from 25th April, 2026.

b) Acquisition of Shares in Associate Companies:

The Company acquired 65,47,619 equity shares, representing 30.33% of the total shareholding in Nag Ham 182 Highway Private Limited for an aggregate consideration of 6,54,76,190.00 till 14th August 2026.

Further, the Company acquired 50,13,695 equity shares, representing 30.33% of the total shareholding in Nag Ham 183 Highway Private Limited for an aggregate consideration of 5,01,36,950.00 till 14th August 2026.

The aforesaid investments were made out of the funds received pursuant to the preferential issue of convertible warrants into equity shares, in accordance with the objects specified in the Notice of the Extra-Ordinary General Meeting of the Company held on 02nd February, 2026 and 20th April, 2026, respectively.

Consequently, Nag Ham 182 Highway Private Limited and Nag Ham 183 Highway Private Limited became associates of the Company with effect from the respective dates of acquisition.

c) Joint Venture:

During the year under review, the Board of Directors of the Company, at their meeting held on 23rd December, 2025, approved the proposal to submit the tender for the work of Construction of Adyal Lift Irrigation Scheme under Gosikhurd Project, Tal. Bramhapuri, Dist. Chandrapur, invited by Vidarbha Irrigation Development Corporation (Government of Maharashtra) through Executive Engineer, Gosikhurd Right Bank Canal Division, Bramhapuri, vide e- Tender Notice No.07/2025-26 and Online Tender ID: 2025_CEWRD_1262369_1.

The Company entered into a memorandum of understanding for Joint Venture Agreement as a Member (40%) with S. S. Fabricators & Manufacturers Private Limited (60%) in the name & style of Adyal L.I.S. JV and submitted all the bid documents required under the tender.

M/s. Adyal L.I.S. JV received work order from Vidarbha Irrigation Development Corporation, Nagpur Office of Executive Engineer, Gosikhurd Right Bank Canal Division, Bramhapuri vide Letter No. 1370/GRBC/TC/2026 dated 09th June, 2026 and Agreement No. B-1/05/DL/ 2026-2027 for Construction of Adyal Lift Irrigation Scheme under Gosikhurd Project, Tal. Bramhapuri, Dist. Chandrapur.

The above joint venture has been registered as a Partnership Firm under the Indian Partnership Act, 1932 on 24th July, 2026.

12. Selection and Procedure for Nomination and Appointment of directors:

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

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

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

13. Criteria for determining Qualifications, Positive Attributes and Independence of a director:

In terms of the provisions of Section 178(3) of the Companies Act 2013 ('the Act'), and Regulation 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations'), the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

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

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

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

14. Independent Director's Familiarization Programmes:

The familiarization program aims to provide the

Independent Directors with the scenario within the Company's business activity, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Companies Act, 2013 and other statutes.

The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and its web link is www.sobhagyaltd.com.

15. Performance Evaluation:

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

16. Managerial Remuneration and Particulars of Employees:

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

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

There are no employees drawing remuneration of Rupees One Crore and Two Lakhs or more per annum if employed throughout the financial year or Rupees Eight Lakh and Fifty Thousand per month if employed for part of the financial year or draws remuneration in excess of Managing Director or Whole time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

17. Number of Board Meetings:

During the year, **twelve (12) meetings** of the Board of Directors of the Company were held on:

Year 2025-26	
16/5/2025	5/1/2026
14/8/2025	13/2/2026
17/9/2025	11/3/2026
26/9/2025	23/3/2026
1/11/2025	27/3/2026
14/11/2025	-
23/12/2025	-

The details of the meetings are furnished in the Corporate Governance Report of the Company which forms an integral part of this Annual Report.

18. Statutory Committees of the Board:

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

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

19. Directors and Key Managerial Personnel:

Re-appointment of Managing Director:

Mr. Shrikant Mitesh Bhangdiya (DIN-02628216) was re-appointed as Managing Director of the Company, for a further term of five consecutive years with effect from 05th December, 2025 to 04th December, 2030 (both days inclusive), approved by the Board of Directors at their meeting held on 14th August, 2025 and subsequently by the Members/ Shareholders of the Company in the 41st Annual General Meeting held on Monday, 29th September, 2025 at 11.00 am by way of special resolution.

Director Liable to Retire by Rotation:

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

Appointment of Non-Executive Non-Independent Director:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 14th August, 2026, have approved and recommended to the members of the Company, the appointment of Mrs. Aarti Shrikant Bhangdiya (DIN: 03407301) as Non-executive Non-Independent Director of the Company, liable to retire by rotation, with effect from 14th August, 2026.

The resolutions seeking Members' approval for the appointment form part of the Notice. The details of the Director being recommended for appointment are contained in the accompanying Notice of the 42nd Annual General Meeting.

Key Managerial Personnel:

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act,2013 read with the Rules framed thereunder, Mr. Shrikant Mitesh Bhangdiya, Managing Director, Mr. Anil Ramrao Khawale, Chief Financial Officer and Ms. Shalinee Singh, Company Secretary and Compliance Officer are the Key Managerial Personnel ('KMP') of the Company as on 31st March 2026.

20. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. In line with the requirements of the Companies Act, 2013 and amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions have been approved by the

Audit Committee and reviewed by it on a periodic basis. The Related Party transactions effected during the financial year are disclosed in the notes to the Financial Statements, forming part of this Annual Report. The policy on Related Party Transactions as approved by the Board is available on the Company's website at the link https://www.sobhagyaltd.com/pdf/policy/Related%20party%20transactions%20policy.pdf .

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

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

The members approved the material related party transaction(s) with MKS Constro-Venture Private Limited for an aggregate value not exceeding (i)Rs. 300 crores for Sale of goods and services, and (ii) Rs. 75 crores for Advancing Loan, up to an aggregate maximum limit of Rs. 375 crores for the financial year 2026-27 by passing Ordinary Resolution through postal ballot, only by voting through electronic means ('remote e-Voting') on Friday, 03rd July, 2026.

21. Statutory Auditors:

M/s. Joshi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 144627W) were re-appointed as Statutory Auditors of the Company at the 41st Annual General Meeting ('AGM') of the Company held on 29th September, 2025, to hold office for a second term of five consecutive years from the conclusion of the 41st AGM till the conclusion of the 46th AGM of the Company.

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

The Auditors have not expressed a qualified opinion in their Audit Report for financial year ended 31st March, 2026.

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

22. Internal Auditors:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. Ashish Mittal & Associates, Chartered Accountants (Firm Registration No. 019185C), Nagpur, were appointed as Internal Auditors of the Company for the financial year 2025-26.

23. Cost Auditor:

The Company is required to prepare and maintain the cost accounts and cost records pursuant to Section 148 (1) of the Act, read with rules made thereunder.

The Board of Directors of the Company at their meeting held on 02nd September, 2026, on the on the recommendation of the Audit Committee, approved the appointment of M/s L M A & Associates, Cost Accountants, Bhandara (Firm

Registration No. 04014) as the Cost Auditor of the Company for conducting the audit of the cost accounting records of the Company for the financial year 2026-27, at a remuneration of Rs. 55,000/- (Rupees Fifty-Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses.

The Company has received from the Cost Auditor, inter alia, confirmation regarding their eligibility and consent for appointment as Cost Auditor of the Company and that they are not disqualified from being appointed as Cost Auditor under the applicable provisions of the Act and the rules made thereunder.

In accordance with the provisions of Section 148 of the Act and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, an Ordinary Resolution, for ratification of remuneration payable to the Cost Auditor for the F.Y. 2026-27, forms part of the Notice of the ensuing AGM.

24. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations'), on approval of the Members of the Company at the 41st Annual General Meeting held on 29th September, 2025, M/s PDTS & Associates, Company Secretaries (Firm Registration No. P2025MH104400), Nagpur, were appointed as as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years, commencing from F.Y. 2025-26 to the F.Y. 2029-30.

Pursuant to Regulation 24A of the Listing Regulations, the Company has obtained Annual Secretarial Compliance Report from the Secretarial Auditors on compliance of all applicable SEBI Regulations and circulars/ guidelines issued there under.

25. Audit Reports:

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

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts for the financial year ended 31st March, 2026 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges.

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

(b) Secretarial Audit Report:

The Secretarial Audit was carried out by M/s PDTS & Associates, Company Secretaries (Firm Registration No. P2025MH104400), Nagpur, for the financial year ended 31st March, 2026. The Report given by the Secretarial Auditors, is annexed herewith as **Annexure - III** and forms integral part of this Report.

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

26. Fraud Reporting:

During the Financial Year 2025-26, the Statutory Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

27. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

A. Conservation of Energy:

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

B. Technology Absorption:

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

C. Foreign Exchange Earnings and Out Go:

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

28. Management Discussion and Analysis Report:

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

29. Risk Management Policy:

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

30. Corporate Governance:

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

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

31. Code of Conduct for Prevention of Insider Trading:

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised 'Code of Conduct to regulate, monitor and report trading by designated persons in Listed or Proposed to be

Listed Securities' of the Company. The object of the Code is to set up framework, rules and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The code has been formulated to protect the interest of shareholders at large and to prevent misuse of any unpublished price sensitive information ('UPSI') and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons, Employees and their immediate relatives and to maintain the highest ethical standards of dealing in Company's securities.

The Company has also adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and Policy and procedure for Inquiry into leak or suspected leak of UPSI. Code of conduct for the prevention of insider trading is available on the Company's website www.sobhagyaltd.com.

32. Annual Return:

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

33. Stock Exchang

The Company's equity shares are listed on BSE Limited. The Annual Listing Fees for the financial year 2025-26 and 2026-27 have been paid to the Exchange.

34. Share Capital:

During the year under review, there was no change in the Authorised Share Capital of the Company. The Authorized Share Capital of the company stood at Rs. 200,000,000/- (Rupees Twenty Crores Only) divided into 20,000,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

During the year under review, the Issued, Subscribed, and Paid-up Equity Share Capital of the Company increased from Rs.8,40,00,000 (Rupees Eight Crores and Forty Lakhs only) divided into 84,00,000 (Eighty-Four Lakhs) Equity Shares of Rs. 10 (Rupees Ten Only) each to Rs. 9,74,85,000 (Rupees Nine Crores Seventy- Four Lakhs Eighty -Five Thousand only) divided into 97,48,500 (Ninety-Seven Lakhs Forty-Eight Thousand Five Hundred) Equity Shares of Rs. 10 (Rupees Ten Only) each. This aforesaid increase in the Paid-up Equity Share Capital was pursuant to the allotment of equity shares upon conversion of convertible warrants issued on a preferential basis to non-promoters on 11th March 2026, and 27th March, 2026.

Subsequent to the end of the financial year, the paid-up equity share capital further increased to Rs. 10,39,90,000 (Rupees Ten Crores Thirty-Nine Lakhs Ninety Thousand only) divided into 1,03,99,000 (One Crore Three Lakhs Ninety-Nine Thousand) Equity Shares of Rs. 10 (Rupees Ten Only) each, pursuant to the further allotment of equity shares upon conversion of convertible warrants issued on a preferential basis to non-promoters on 13th July, 2026.

35. Declaration of Independence:

The Company has received declarations from all the Independent Directors of the Company under section 149(7) of the Companies Act, , 2013, confirming that they meet with criteria of independence as prescribed under section

149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

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

36. Policy on Directors Appointment and Remuneration and other details:

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

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at https://www.sobhagyaltd.com/pdf/policy/Nomination_Remuneration%20Policy.pdf

37. Directors' Responsibility Statement:

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2026, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed along with proper explanation relating to material departures, if any;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31st March 2026 and the profit of the Company for the financial year ended 31st March 2026;

a)proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

38. Vigil Mechanism/Whistle Blower Policy:

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

39. Employee Stock Option Scheme:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is required.

40. Corporate Social Responsibility:

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

41. Secretarial Standards:

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

42. Insurance:

The properties and assets of your Company are adequately insured.

43. Particulars of Loans, Guarantees and Investments under section 186 of the Companies Act, 2013:

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

44. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the Management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also review the internal control systems along with the Management and the Internal Auditors. The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management and also with the Statutory Auditors and are consistently reviewed by the Audit Committee.

45. Prevention of sexual harassment at Workplace:

The Company has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. A Committee has been set up to redress complaints received regarding Sexual harassments. During the year under review, there were no Complaints pertaining to sexual harassment.

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

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

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

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

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

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

49. A) Issue of Convertible Warrants on preferential allotment basis on 05th January, 2026

During the year under review, the Board of Directors of the Company at their meeting held on 05th January, 2026, approved the issue and allotment of 26,49,500 Convertible Warrants at an issue price of Rs. 674.49/- each (Convertible into Equity Shares having Face Value of Rs. 10/- each at a Premium of Rs. 664.49/- each) aggregating to the amount of Rs. 178,70,61,255/- to Non-Promoters on a Preferential Basis towards raising of additional capital by the Company pursuant to Section 42, 62 of the Companies Act, 2013 and as per the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 ('SEBI (ICDR) Regulations, 2018'). The approval of the Members of the Company was duly obtained at the Extra-Ordinary General Meeting held on 02nd February, 2026. The Company subsequently received the letter the letter dated 24th February, 2026 from BSE Limited granting in-principle approval for the proposed issue.

Pursuant to the aforesaid approval, the Board of Directors of the Company at their meeting held on 11th March, 2026 approved allotment of 13,48,500 Convertible Warrants of Face Value of Rs 10/- each at a premium of Rs. 664.49/- each to Non Promoters on preferential basis . Further, the Board approved allotment of 3,00,000 Equity Shares of Face value of Rs. 10/- (Rupees Ten only) each at a premium of Rs. 664.49/- each on simultaneous conversion of warrants into Equity Shares consequent to receipt of 100 % consideration amount from one of the allottee namely Dovetail India Fund-Class 22. The Company obtained the listing approval on 01st April, 2026 and trading approval on 10th April, 2026 from BSE Limited for 3,00,000 Equity Shares of Rs. 10/- each to be issued at a premium of Rs. 664.49/-.

The Board of Directors of Sobhagya Mercantile Limited at their Meeting held on 27th March, 2026 approved the allotment of 10,48,500 Equity Shares of Face Value Rs. 10/- each at a premium of Rs. 664.49/- each to Non Promoter pursuant to conversion of Convertible Warrants which were issued and allotted on Preferential basis on 11th March, 2026. The

Company obtained the listing approval from BSE Limited on 21st April, 2026 and trading approval on 05th May, 2026 for 10,48,500 Equity Shares of Rs. 10/- each to be issued at a premium of Rs. 664.49/-.

The proceeds received from the aforesaid issue have been utilised for the objects stated in the Explanatory Statement to the Notice of the Extra-Ordinary General Meeting held on 02nd February, 2026.

49. B) Issue of Convertible Warrants on preferential allotment basis on 23rd March, 2026

The Board of the Directors of the Company at their meeting held on 23rd March, 2026 approved the issue and allotment of 13,01,000 Convertible Warrants at an issue price of Rs. 674.49/- each (Convertible into Equity Shares having Face Value of Rs. 10/ each at a Premium of Rs. 664.49/- each) aggregating to the amount of Rs. 87,75,11,490/- to Non-Promoters on a Preferential Basis towards raising of additional capital by the Company pursuant to Section 42, 62 of the Companies Act, 2013 and as per the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2018 ('SEBI (ICDR) Regulations, 2018'). The approval of the Members of the Company was duly obtained at the Extra-Ordinary General Meeting held on 20th April, 2026. The Company subsequently received the letter dated 20th May, 2026 from BSE Limited granting in-principle approval for the proposed issue.

Pursuant to the aforesaid approval, the Board of Directors of the Company at their meeting held on 03rd June, 2026 approved allotment of 13,01,000 (Thirteen Lakhs One Thousand) Convertible Warrants of Face Value of ₹ 10/- (Rupees Ten Only) each at an Issue Price of ₹ 674.49/- each (including premium of ₹ 664.49/- each amounting to Rs. 87,75,11,490/- (Rupees Eighty-Seven Crore Seventy-Five Lakh Eleven Thousand Four Hundred and Ninety only) to Non-Promoters on Preferential Allotment basis. The Board of Directors of the Company at their Meeting held on13th July, 2026 approved the allotment of 6,50,500 Equity Shares of Face Value Rs. 10/- each at a premium of Rs. 664.49/- each to Non Promoter pursuant to conversion of Convertible Warrants which were issued and allotted on Preferential basis on 03rd June, 2026. The Company obtained the listing approval from BSE Limited on 04th August, 2026 and trading approval on 12th August, 2026 for 650500 Equity Shares of Rs. 10.00/- each to be issued at a premium of Rs. 664.49/-

The proceeds received from the aforesaid issue have been utilised for the objects stated in the Explanatory Statement to the Notice of the Extra-Ordinary General Meeting held on 20th April, 2026.

50. Green Initiative:

In the line with the 'Green initiative', the Company has affected electronic delivery of the Annual Report 2025- 26 are sent to all members whose email addresses are registered with Depository Participants/ M/s Purva Sharegistry (I) Private Limited (Company's Registrar and Share Transfer Agent). Your Company would encourage other Members also to register themselves for receiving Annual Report in electronic form.

51. Other Disclosures:

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

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

52. Appreciation & Acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, for their contribution towards the growth of the Company.

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

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

Sd/-	**Sd/-**
Shrikant Bhangdiya	**Sonal Bhangdiya**
Managing Director	**Director**
(DIN: 02628216)	(DIN: 03416775)

Place : Mumbai
Date: 14th August, 2026

ANNEXURE - I

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

1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2025-26:

Name	Remuneration for F.Y. 2025-26	Median remuneration of employees F.Y. 2025-26	Ratio of the remuneration of each Directors/to median remuneration of the employees
Mr. Shrikant Mitesh Bhangdiya	60	1.38	43.40:1
Mrs. Sonal Kirtikumar Bhangdiya	12	1.38	8.68:1

2) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2025-26:

Name	% Increase in the remuneration
Mr. Shrikant Mitesh Bhangdiya	-
Mrs. Sonal Kirtikumar Bhangdiya	-
Mr. Anil Khawale	1
Ms. Shalinee Singh	4

3) The percentage increase in the median remuneration of employees in the financial year: (5.48) %

4) The number of permanent employees on the rolls of the Company: The Company has chosen to outsource its entire payroll management to MKS Multimedia Private Limited. During the financial year 2025-26, MKS Multimedia Private Limited has engaged approximately 157 employees to work for the Company. These employees are essentially performing roles within the Company, even though they are on the payroll of MKS Multimedia Private Limited.

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year, and its comparison with the percentile increase in the managerial remuneration, and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase made in the salaries of employees, other than the managerial personnel, in the last financial year i.e. F.Y. 2025-26 was **21.56%**. The average percentage increase in the salaries of the managerial personnel in the last financial year i.e. F.Y. 2025-26 was **0%.**

6) It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees of the Company is as per the Remuneration Policy of the Company.

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

Sd/-	**Sd/-**
Shrikant Bhangdiya	**Sonal Bhangdiya**
Managing Director	**Director**
(DIN: 02628216)	(DIN: 03416775)

Place : Mumbai
Date: 14th August, 2026

ANNEXURE - II

FORM NO. AOC - 2

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

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

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

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of the Related Parties and Nature of Relationship:

Related parties in which directors are interested

MKS Constro-Venture Private Limited
Chimur Petgaon Highway Private Limited
MKS Acme Build Private Limited
MKS Flexituff Limited
MKS Industries
Shankarpur Chimur Highway Private Limited
Shanta Infraventure
B. K. Buildcon
HPS Construction
R.B. Infra
NAG HAM 182 Highway Private Limited
NAG HAM 183 Highway Private Limited
Bramhapuri Dhanora Highway Pvt Ltd
Idc-Mahendra Jv.

Key Managerial Personnel

Shrikant Bhangdiya - Managing Director
Sonal Bhangdiya - Director

Relatives of Key Managerial Personnel

Aarti Bhangdiya - Wife of Managing Director, Mr. Shrikant Bhangdiya

Kirtikumar Bhangdiya - Brother of Managing Director, Mr. Shrikant Bhangdiya

Mitesh G Bhangdiya - Father of Managing Director, Mr. Shrikant Bhangdiya

Directors are Trustees in the Trust

Bhangdiya Foundation

(Rs. In Lakhs)

Name of the Related Party	Nature of transaction	31st March, 2026	31st March, 2025	Date(s) of approval by the Audit/Board, if any
1. Mr. Shrikant Bhangdiya	Managerial Remuneration	60.00	60.00	-
2. Mrs. Sonal Kirtikumar Bhangdiya	Managerial Remuneration	12.00	12.00	-
3. MKS Constro-Venture Private Limited	1.Sales	21,525.30	14,291.96	16/5/2025
	2.Loan			
	- Given	488.24	716.42	
	- Repayment received	327.60	789.14	
4. MKS Flexituff Limited	Purchase of Service	9.86	0.21	16/5/2025
	Advance			
	-Repaid	1.03	-	
5. BK Buildcon	Sales	-	194.24	16/5/2025
6. RB Infra	Purchase	352.46	628.74	16/5/2025
	Sales	171.68	445.68	
7. Bhangdiya Foundation	CSR Donation made	27.00	2.90	16/5/2025
8. Shrikant Bhangdiya	Loan			16/5/2025
	-Given	0	105.00	
	-Repayment received	19.44	42.00	
9. Sonal Bhangdiya	Loan			16/5/2025
	-Given	-		
	-Repayment received	26.64	-	
10. Kirtikumar Bhangdiya	Lease Payment	19.20	4.80	16/5/2025

(Rs. In Lakhs)

11. Chimur Petgaon Highway Private Limited	Loan			16/5/2025
	-Given	46.56	42.02	
	-Repayment received	4.66	4.20	
12. Shankarpur Chimur Highway Private Limited	Loan			16/5/2025
	-Given	86.51	126.34	
	-Repayment received	8.65	595.63	
13. Mitcon Infraproject Private Limited	Loan			16/5/2025
	Given	-	139.25	
	-Repayment received	0.42	120.95	
14. IDC-Mahendra Jv	Sales	-	30.18	16/5/2025
15. MKS Multimedia Private Limited	Purchase of Service	430.11	347.20	16/5/2025
16. Nag Ham 182 Highway Private Limited	Investment in SHARE & Debentures	4064.83	-	5/1/2026
17. Nag Ham 183 Highway Private Limited	Investment in SHARE & Debentures	3025.11	-	5/1/2026
18. Bramhapuri Dhanora Highway Pvt Ltd	Loan	-	-	
	-Given	120.96	110.06	
	-Repayment received	12.10	11.00	

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

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

Sd/-
Sonal Bhangdiya
Director
(DIN: 03416775)

Place : Mumbai
Date: 14th August, 2026

ANNEXURE - III

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended on 31st March, 2026

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

To,
The Members,
Sobhagya Mercantile Limited
U.N.-1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel, Delisle
Road, Mumbai, Maharashtra, India, 400013.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, based on management representations received and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable;

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

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

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

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

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

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

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

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

h) The Securities and Exchange Board of India (Registrars to an Issue & Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

j) The Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018;

k) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

vi) The management has identified and confirm that the other laws as specifically applicable to the Company and that the Company have proper system to comply with the provisions of the respective Acts, rules and Regulations;

vii) In case of Direct and Indirect Tax Laws like Income Tax Act, 1961, Goods and Services Tax Law, Excise & Custom Laws, we have relied on the Reports given by the Statutory Auditors of the Company;

viii) We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis the Company has complied with the following specific laws to the extent applicable to the Company:

A) Maharashtra Shops and establishments Act;

B) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

C) Local laws as applicable to various offices and work places.

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

i) Secretarial Standards with regard to meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI);

ii) The Listing Agreements entered by the Company with BSE Limited.

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

1. During the year under review, the Members of the Company, through Postal Ballot, approved by way of an Ordinary Resolution passed through electronic voting on June 20, 2025, the continuation of the existing and/or entering into new Material Related Party Transaction(s) with MKS Constro-Venture Private Limited, for an aggregate value not exceeding ₹250 Crores during the financial year 2025–26, in accordance with Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013.

2. During the year under review, the Members of the Company, at the 41st Annual General Meeting held on September 29, 2025, approved the re-appointment of Mr. Shrikant Mitesh Bhangdiya (DIN: 02628216) as the Managing Director of the Company, in accordance with the provisions of Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013.

3. During the year under review, the Board of Directors at the meeting held on November 01, 2025, approved shifting of registered office of the company within the local limits from “B-61, Floor 6, Plot No 210, B Wing, Mittal Tower, Free Press Journal Marg, Nariman Point, Mumbai- 400021, Maharashtra, India” to “U.N.-1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India”.

4. During the year under review, the members at the Extra-Ordinary General Meeting of the company held on February 02, 2026, approved the issuance of up to 26,49,500 Convertible Warrants on a preferential basis to identified non-promoter investors, aggregating to Rs. 178,70,61,255, pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013 and Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

5. During the year under review, the Board of Directors at the meeting held on March 11, 2026 approved allotment of 13,48,500 Convertible Warrants on preferential basis. Further, pursuant to the receipt of 100% consideration amount from one of the allottees, the Board approved allotment of 3,00,000 Equity Shares, on simultaneous conversion of warrants into Equity Shares.

6. During the year under review, the Board of Directors at the meeting held on March 27, 2026, approved allotment of 10,48,500 Equity Shares pursuant to conversion of Convertible Warrants allotted on preferential basis.

We further report that:

During the period under review, the Company was required to incur CSR expenditure of approximately Rs. 36.00 Lakhs in accordance with the provisions of Section 135 of the Companies Act, 2013. However, the Company had not incurred the prescribed CSR expenditure as at the end of the period under review. The Company has proposed to utilise the requisite CSR amount towards eligible activities/funds specified under Schedule VII to the Companies Act, 2013, in accordance with the applicable provisions thereof.

During the period under review, the Company was amongst the top 2,000 listed entities, determined on the basis of market capitalisation as on December 31, 2025, as per the relevant stock exchange (BSE Ltd.). Accordingly, the provisions of Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Board of Directors, requiring the Board to comprise not less than six directors, became applicable to the Company after a period of three months from December 31, 2025 (i.e., April 01, 2026) or from the beginning of the immediate next financial year, whichever is later.

During the period under review, the Company initiated the necessary steps towards making the requisite appointments to ensure compliance with the aforesaid regulatory requirements within the prescribed timeline.

The Company has been maintaining the cost records as required under Section 148 of the Companies Act, 2013 read with the applicable rules. During the financial year under review, the provisions relating to cost audit were applicable to the Company. However, the appointment of the Cost Auditor and completion of the cost audit for the said financial year were pending as on the date of the report.

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

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

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

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

For **PDTS & Associates**
Company Secretaries
FRN - P2025MH104400

Parag S. Dasarwar
Partner
Membership No.: F9304
CoP No.: 8227
PRC No.: 6716/2025
UDIN: F009304H000992671

Date: 31.07.2026
Place: Nagpur

This report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.

ANNEXURE - I

To,
The Members,
Sobhagya Mercantile Limited
U.N.-1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel, Delisle
Road, Mumbai, Maharashtra, India - 400013.

The Secretarial Audit Report for the financial year ended March 31, 2026 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have relied on report of Statutory Auditors, Tax auditors and Cost Auditors for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the company since the same have been subject to review by respective Auditors and other designated professionals.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. The audit was conducted based on the verification of the Company’s books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by audio and/or visual means.

For **PDTS & Associates**
Company Secretaries
FRN - P2025MH104400

Parag S. Dasarwar
Partner
Membership No.: F9304
CoP No.: 8227
PRC No.: 6716/2025
UDIN: F009304H000992671

Date: 31.07.2026
Place: Nagpur

Annexure - IV

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pusant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rles, 2014]

1. Brief outline on CSR Policy of the Company:

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

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

2. Composition of CSR Committee:

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

3. The web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.sobhagyaltd.com .

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

5.

(a) Average net profit of the company as per sub-section (5) of section 135: **Rs. 17,98,80,876 /-** .

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 35,97,618 /-** .

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL** .

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs. 35,97,618/-** .

6.

(a) Amount spent on CSR Projects (other than Ongoing Project): **Rs. 27,00,000/-** .

(b) Amount spent in Administrative Overheads: **Not Applicable** .

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 27,00,000/-** .

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

Amount Unspent (in Rs.)					
Total Amount Spent for the Financial Year (in Rs.)	**Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135**		**Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135**		
	Amount	**Date of transfer**	**Name of the Fund**	**Amount**	**Date of transfer.**
Rs. 27,00,000	-	-	-	-	-

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

Sl. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
i)	Two percent of average net profit of the company as per sub-section (5) of section 135	35,97,618
ii)	Total amount spent for the financial year	27,00,000
iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding Financial Years/to be transferred to Specified Funds under Schedule VII (in Rs.)	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of Transfer		
1	2025-26	-	-	27,00,000	-	-	-	8,97,618	-
2	2024-25	-	-	21,40,000	-	-	-	6,77,816	-

3	2023-24	-	-	24,83,800	-	-	-	-	-
4	2022-23	-	-	6,90,000	-	-	-	14,55,628	-
5	2021-22	-	-	-	-	-	-	-	-
6	2020-21	-	-	-	-	-	-	4,24,612	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

9. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per sub-section (5) of Section 135: Certain identified CSR initiatives faced operational or implementation challenges, resulting in partial utilization of the allocated amount.

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

Sd/-
Shrikant Mitesh Bhangdiya
Managing Director and
Chairman of CSR Committee
(DIN: 02628216)

Sd/-
Sonal Kirtikumar Bhangdiya
Director
(DIN: 03416775)

Place : Mumbai
Date: 14th August, 2026

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

A. Composition of the Board of Directors

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2026, the Board comprises of four (4) Directors, out of which one (1) is Managing Director, one (1) is Non-Executive Non-Independent Woman Director and two (2) are Non-Executive Independent Directors.

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

Name of Directors	Category	Shareholding as on 31st March, 2026
Mr. Shrikant Mitesh Bhangdiya	Managing Director	19,01,643
Mrs. Sonal Kirtikumar Bhangdiya	Non- Executive - Non-Independent Director	10,99,569
Mr. Prashant Kumar Lahoti	Non- Executive -Independent Director	Nil
Mr. Rupesh Prakash Malpani	Non- Executive -Independent Director	Nil

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

Further, none of the Independent Directors have resigned before the expiry of their tenure during the year under review. The maximum tenure of Independent Directors is in conformity with the Act.

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

Necessary disclosures regarding Board (in terms of Regulation 17A of the Listing Regulations) and Committee positions (in terms of Regulation 26 of the Listing Regulations) as on 31st March, 2026, have been made by all the Directors of the Company.

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

During the financial year 2025-26, Twelve (12) Board Meetings were held on 16th May, 2025, 14th August, 2025, 17th September, 2025, 26th September, 2025, 01st November, 2025, 14th November, 2025, 23rd December, 2025, 05th January, 2026, 13th February, 2026, 11th March, 2026, 23rd March, 2026 and 27th March, 2026. The necessary quorum was present for all the meetings. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors. All the meetings are held in accordance with the provisions of the Act.

The attendance at Board Meetings held during the financial year 2025-26 and the number of Directorships in other companies, Committee Chairmanships / Memberships held by them in other public companies as on 31st March 2026 are given herein below.

Name of Directors	No. of Board Meetings Attended during the year 2025-26	Whether last Annual General Meeting held on 29th September, 2025 attended	No. of Directorship in other Companies as on 31st March, 2026	No. of Committee position in other public Companies as on 31st March, 2026	
	Held/Attended			Member	Chairman
Mr. Shrikant Mitesh Bhangdiya	12/12/2026	Yes	17	0	0
Mrs. Sonal Kirtikumar Bhangdiya	12/12/2026	Yes	02	0	0
Mr. Prashant Kumar Lahoti	12/12/2026	Yes	07	0	0
Mr. Rupesh Prakash Malpani	12/12/2026	Yes	0	0	0

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

D. Details of Familiarization programs imparted to Independent Directors

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

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

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

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

These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

F. Meeting of Independent Directors

A separate meeting of Independent Directors, pursuant to Section 149(7) read with Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was held on 23rd March, 2026. At their Meeting, the Independent Directors inter-alia reviewed the performance of Non-Independent Directors, the Board as a whole and the Managing Director of the Company, on parameters of effectiveness and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. Audit Committee

The Board has constituted an Audit Committee in compliance with Regulation 18 of the Listing Regulations, read with Section 177 of the Act. As on 31st March, 2026, the AuditCommittee comprises of three (3) Directors, out of which two (2) are Non-Executive Independent Directors and one (1) is Managing Director.

The Audit Committee met **Six (6) times** on: 16th May, 2025, 14th August, 2025, 14th November, 2025, 05th January, 2026, 13th February, 2026 and 23rd March, 2026. The necessary quorum was present for all the meetings. The maximum time gap between any two meetings was less than 120 days.

The Details of Composition of Audit Committee and the number of Meetings held and attended by the Members during the F.Y. 2025-26 are mentioned herein below:

Name of Committee Members	Designation	Category	No. of Meetings Held	No. of Meetings Held
Mr. Rupesh Prakash Malpani	Chairman	Non-Executive Independent Director	6	6
Mr. Shrikant Mitesh Bhangdiya	Member	Managing Director	6	6
Mr. Prashant Kumar Lahoti	Member	Non-Executive Independent Director	6	6

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

Mr. Rupesh Malpani, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on Monday, 29th September, 2025.

The Company Secretary acts as the Secretary to the Committee.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / noticeand the reportsubmitted by themonitoring agency monitoringthe utilisation of proceedsof a public issueor rights issueor preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Management letters / letters of internal control weaknesses issued by the statutory auditors;

3. Internal audit reports relating to internal control weaknesses; and

4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

5. Statement of Deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

4. Nomination and Remuneration Committee

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

3. Devising a policyon diversity of Board of Directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal;

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Recommend to the Board, all remuneration, in whatever form, payable to senior management;

As on 31st March, 2026, the Nomination& Remuneration Committee comprises of three (3) Directors, out of which two (2) are Non-Executive Independent Directors and one(1) is Non-Executive Non-Independent Director.

During the financial year 2025-26, Two (2) meetings of the Nomination & Remuneration Committee were held on 16th May, 2025 and 14th August, 2025. The necessary quorum was present for the meetings.

The Details of Composition of the Nomination & Remuneration Committee and the number of Meetingsheld and attendedby the Members during the financial year 2025-26 are mentioned herein below;

Name of Committee Members	Designation	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Rupesh Prakash Malpani	Chairman	Non-Executive Independent Director	2	2
Mrs. Sonal Kirtikumar Bhangdiya	Member	Non-Executive Non-Independent Director	2	2
Mr. Prashant Kumar Lahoti	Member	Non-Executive Independent Director	2	2

Mr. Rupesh Malpani, Chairman of the NRC Committee was present at the last Annual General Meeting of the Company held on Monday, 29th September, 2025.

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

Performance Evaluation:

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

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

5. Remuneration of Directors

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

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

The details on the criteria for making payments to the Non-Executive Director(s) is also available on the Company's website at https://www.sobhagyaltd.com/pdf/policy/Nomination_Remuneration%20Policy.pdf .

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

Details of remuneration paid to Managing Director and Non-Excutive Non-Independent Director during the year ended 31st March, 2026 are given as under;

Name of Director	Remuneration
Mr. Shrikant Mitesh Bhangdiya, **Managing Director**	60,00,000
Mrs. Sonal Kirtikumar Bhangdiya, **Non-Executive - Non-Independent Director**	12,00,000

6. Stakeholders Relationship Committee

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

The Committee comprises of three (3) Directors out of which two (2) are Non-Executive Independent Directors and one (1) is Managing Director.

During thefinancial year 2025-26, One (1) meeting of Stakeholders' Relationship Committee was held on 13th February, 2026. The necessary quorum was present for the meeting.

The Details of Composition of Stakholders Relationship Committee and the number of Meetings held and attended by the Members during the financial year 2025-26 are mentioned herein below;

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

Mr. Rupesh Malpani, Chairman of the SRC Committee was present at the last Annual General Meeting of the Company held on Monday, 29th September, 2025.

During the year 2025-26, no complaints from the investors/shareholders were received by the Company.

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

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

7. Corporate Social Responsibility Committee

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

As on 31st March, 2026, the CSR Committee comprises of three (3) Directors, out of which two (2) are Non-Executive Independent Directors and one (1) is Managing Director.

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

The Committee met **Two (2) times** during the financial year 2025-26 on 16th May, 2025 and 13th February, 2026. The necessary quorum was present for the meetings.

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

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

8. General Body Meetings

A) Annual General Meeting

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

Financial Year	Date	Time	Venue	Special Resolution passed, if any
2024-25	29-09-2025	11:00 a.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') deemed to be held at Registered Office of the Company	Re-appointment of Mr. Shrikant Mitesh Bhangdiya (DIN-02628216) as Managing Director of the Company
2023-24	30-09-2024	04:00 p.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	Appointment of Mr. Rupesh Malpani (DIN: 08471166) as an Independent Director of the Company
2022-23	29-09-2023	11.00 a.m. (IST)	Through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM')	No special resolution Passed

B) Extra Ordinary General Meeting

The Extraordinary General Meeting ('EGM') of the Company was held on 02nd February, 2026 at 04:00 p.m. through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') during the Financial Year 2025-26.

Resolution Item No. 1: Special Resolution

Issue of Convertible Warrants on Preferential Allotment Basis.

Category	No. of Shares held (1)	No. of Votes cast (2)	% of Votes cast on Outstanding shares (3)=[(2)/ (1)]*100	No. of Votes - in Favour (4)	No. of Votes - Against (5)	% of Votes in Favour on Votes cast (6)=[(4) / (2)]*100	% of Votes Against on Votes cast (7)=[(5) / (2)]*100
Mode of Voting: E - Voting							
Promoter and Promoter Group	6299919	6299919	100	6299919	0	100	0
Public - Institutions	0	0	0	0	0	0	0
Public - Non-Institutions	2100081	1155584	55.0257	1155580	4	99.9997	0.0003
Total	8400000	7455503	88.7560	7455499	4	99.9999	0.0001

Special Resolution passed with requisite majority.

C) Postal Ballot

The Company conducted a postal ballot pursuant to the notice dated 16th May, 2025 for seeking approval of the Members for Material Related Party Transaction(s) with MKS Constro-Venture Private Limited by way of an Ordinary Resolution, which was duly passed with requisite majority on 20th June, 2025 and the results of which were announced on 23rd June,2025. M/s PDTS & Associates, Company Secretaries (Firm Registration No. P2025MH104400) were appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Procedure for Postal Ballot:

The aforesaid Postal Ballot was conducted by the Company as per the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), read with Rule(s) 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, each as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs for conducting postal ballot process through e-Voting vide its General Circulars.

Details of Voting Pattern:

Category	No. of Shares held (1)	No. of Votes cast (2)	% of Votes cast on Outstanding shares (3) = [(2)/ (1)]*100	No. of Votes - in Favour (4)	No. of Votes - Against (5)	% of Votes in Favour on Votes cast (6) = [(4) / (2)]*100	% of Votes Against on Votes cast (7) = [(5) / (2)]*100
Mode of Voting: Remote E - Voting							
Promoter and Promoter Group	6301299	0	0	0	0	0	0
Public - Institutions	0	0	0	0	0	0	0
Public - Non-Institutions	2098701	703686	33.52	703686	0	100	0
Total	8400000	703686	8.37	703686	0	100	0

* *Promoters holding **6301299 equity shares**, these votes were not taken into account as they were the votes of the related parties and abstained from voting.*

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting, scheduled to be held on 29th September, 2026 ('AGM') requires passing of a special resolution through postal ballot.

9. Means of Communication

A) Quarterly results

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

B) Newspapers wherein results normally published

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

C) Website of the Company

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

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

D) Annual Report

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

10. General Shareholder Information

A	**Annual General Meeting**	Date: Tuesday, 29th September,2026 Time: 11:30 A.M. (IST) Venue: through Video conferencing ('VC')/Other Audio- Video Means ('OAVM')
B	**Book Closure Date**	From Wednesday, 23rd September, 2026 to Tuesday, 29th September, 2026
C	**Financial Year**	1st April to 31st March
D	**Dividend Payment Date**	No dividend is recommended for the financial year 2025-26.
E	**Listing on Stock Exchange**	Equity Shares BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Website: www.bseindia.com.
F	**ISIN**	INE754D01018
G	**BSE-Stock Code**	512014
H	**Annual Listing Fee**	Annual Listing Fee for the financial year 2025-26 as applicable has been paid to BSE Limited
I	**Corporate Identity Number (CIN)**	L45100MH1983PLC031671. Your Company is registered in the State of Maharashtra, India.

J) Stock Price Data

High, Low during each month of the Financial Year 2025-26.

The Share price data for each month during the financial year 2025-26 on the BSE Limited and the monthly high and low share prices of the Company in comparison with the BSE Sensex are as under:

Month	BSE Limited		BSE Sensex	
	High Price	Low Price	Sensex High	Sensex Low
Apr 2025	393.85	290.4	80661.31	71425.01
May 2025	487.55	312	82718.14	78968.34
Jun 2025	523.15	423.4	84099.53	80354.59
Jul 2025	569.9	534	83935.01	80575.45
Aug 2025	920.6	566.9	82231.17	79741.76
Sep-25	920.6	862.05	83141.21	79818.38
Oct 2025	920.6	875	85290.06	80159.9
Nov 2025	920.6	858.85	86055.86	82670.95
Dec 2025	920.6	836	86159.02	84150.19
Jan 2026	920.6	696.95	85883.5	81088.59
Feb 2026	826.3	735	85871.73	79899.42
Mar 2026	877	679	80632.55	71774.13

K) Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories NSDL and CDSL, within the prescribed timeline.

L) i) Shareholding pattern as on 31st March, 2026

Category	Number of Shares	% of Capital
Promoter and Promoter Group	62,99,919	64.62
Public - Institutions	13,48,500	13.83
Public - Non-Institutions	21,00,081	21.54
Total	**97,48,500**	**100**

ii) Distribution of Shareholding as on 31st March, 2026

Sr. No.	Category (Equity Shares)	Shareholders		Shareholding	
		Number of Shareholders	Percentage (%) of Shareholders	Fully Paid-up Capital in Rs.	Percentage (%) of Total Capital
1	Upto 5000	1222	90.99	532670	0.61
2	5001-10000	21	1.56	159450	0.18
3	10001-20000	20	1.49	282930	0.33
4	20001-30000	7	0.52	165680	0.19
5	30001-40000	3	0.22	101340	0.12
6	40001-50000	2	0.15	92570	0.11
7	50001-100000	18	1.34	1432240	1.65
8	100001 and above	50	3.72	94718120	108.87
	Total	**1343**	**100**	97485000	100

iii) Dematerialization of Shares and Liquidity

As on 31st March, 2026, the Company's 8386150 equity shares were held in dematerialized form which constitutes 86.0250% of total number of subscribed shares and remaining 1362350 (13.9749 %) equity shares were held in physical form.

M) Plant location: *The Company operates two stone crushing plant located at Mouza Gardapar in Tehsil Bhiwapur (Dist. Nagpur) with capacity of 100 TPH (ton per hour) and 200 TPH (ton per hour).*

N) Compliance Officer: Ms. Shalinee Singh

O) Address for correspondence:

Registered Office: U.N.- 1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013, Maharashtra, India.

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

Contact no: 022-45694785

Email: sobhagyamercantile9@gmail.com

Website: www.sobhagyaltd.com

P) Credit Rating Report

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

Instrument/ Facility	Ratings	Rating Action
Long Term Bank Facilities	IVR BBB-/ Stable (IVR Tripe B Minus with Stable outlook)	Rating Reaffirmed
Short Term Bank Facility	IVR A3 (IVR A Three)	Rating Reaffirmed

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

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

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

Tel No: 022-49614132

Email: support@purvashare.com

Website: www.purvashare.com

11. Other Disclosures

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

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

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

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

During the financial year 2022-23, the company has paid a basic fine imposed for an amounting to Rs. 20,000/- to BSE towards Non-submission of the financial results for the period ended 30th June, 2022 within prescribed due dates under Regulation 33 of the Listing Regulations.

During the financial year 2024-25, the Company has paid a fine of Rs. 2,360/- to the stock exchange i.e. BSE towards delay in submission of Annual Secretarial Compliance Report for F.Y. 2023-24 under Regulation 24A of the Listing Regulations.

In accordance with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Minimum Public Shareholding ('MPS') of the Company had fallen below the prescribed limit of 25% during the quarter ended 31st March, 2025.

The Company has subsequently taken necessary steps to rectify the shortfall and has restored compliance. The revised shareholding pattern, as on 23rd May, 2025, was duly updated and intimated to the stock exchange via email dated 26th May, 2025.

C) CEO and CFO Certification

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

D) Whistle Blower Policy

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

E) Mandatory requirements

The Company has complied with all mandatory requirement prescribed in the Listing Regulations for the financial year 2025-26. The Company has obtained a certificate on Corporate Governance from M/s PDTS & Associates, Company Secretaries, (Firm Registration Number- P2025MH104400 & Peer Review Certificate No.: 6716/2025). This certificate is annexed to this report.

F) Disclosure of commodity price risks and commodity hedging activities

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

G) Details of utilization of funds raised through preferential allotment:

There has been no deviation in the utilization of funds raised by way of a preferential issue of convertible warrants into equity shares. The Company has been diligently filing the Statement of Deviation or Variation under Regulation 32 of the Listing Regulations, on a quarterly basis with the stock exchange. Further, more detailed information regarding the utilization of funds is recorded in the Statement of Deviation, which provides transparency and ensures compliance with the relevant regulatory requirements. The Company has submitted the Statement of Deviation for the quarter ended 31st March, 2026, within statutory timelines and the same are uploaded on the website of the Company at www.sobhagyaltd.com.

H) Directors Qualification Certificate

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

I) Statutory Audit Fees

Total fees paid by the Company to Statutory Auditors for their services to the Company for the Financial year 2025-26 is ***Rs. 2.80 lakhs***.

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

During the financial year 2025-26, there were no complaints receivedunder Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

a. Number of complaints filed during the financial year – **NIL**

b. Number of complaints disposed of during the financial year - **NIL**

c. Number of complaints pending as on end of the financial year – **NIL**

12. Non - Mandatory requirements

a) Modified opinion(s) in audit report:
There are no Audit Qualifications in the Auditors' report on the Financial Statements of the Company for the financial year ended 31st March 2026.

b) Reporting of internal auditor:
The internal auditor may report directly to the audit committee.

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

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

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2026.

For and on behalf of the Board of
Sobhagya Mercantile Limited

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

Place : Mumbai
Date: 14th August, 2026

COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

To,
The Board of Directors
Sobhagya Mercantile Limited

We certify that:

A. We have reviewed Audited financial statements and the cash flow statement for the financial year 31stMarch, 2026 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee, wherever applicable:

1) significant changes (if any) in internal control over financial reporting during the year;

(2) significant changes (if any) in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud (if any) of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sobhagya Mercantile Limited

Sd/-	**Sd/-**
Shrikant Bhangdiya	**Anil Khawale**
Managing Director	**Chief Financial Officer**
(DIN: 02628216)	

Place : Mumbai
Date: 14th August, 2026

CERTIFICATE ON CORPORATE GOVERNANCE

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

To,
The Members,
Sobhagya Mercantile Limited
U.N.-1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel, Delisle
Road, Mumbai, Maharashtra, India - 400013.

We have examined the compliance of the conditions of Corporate Governance by **Sobhagya Mercantile Limited** ('the Company') for the financial year ended March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2026.

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 **PDTS & Associates**
Company Secretaries
FRN - P2025MH104400

Parag S. Dasarwar
Partner
Membership No.: F9304
CoP No.: 8227
PRC No.: 6716/2025
UDIN: F009304H001092518

Date: 14.08.2026
Place : Nagpur

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Sobhagya Mercantile Limited
U.N.-1916, 19th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel, Delisle
Road, Mumbai, Maharashtra, India - 400013.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sobhagya Mercantile Limited having CIN L45100MH1983PLC031671 and having registered office at U.N.-1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	DIN	Name of Director	Designation	Date of Appointment in Company
1	02628216	Shrikant Mitesh Bhangdiya	Managing Director	09/08/2019
2	03416775	Sonal Kirtikumar Bhangdiya	Non- Executive Non-Independent Director	09/08/2019
3	00091140	Prashant Kumar Lahoti	Non-Executive Independent Director	21/09/2019
4	08471166	Rupesh Prakash Malpani	Non- Executive Independent Director	09/08/2024

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

For **PDTS & Associates**
Company Secretaries
FRN - P2025MH104400

Parag S. Dasarwar
Partner
Membership No.: F9304
CoP No.: 8227
PRC No.: 6716/2025
UDIN: F009304H001092353

Date: 14.08.2026
Place: Nagpur

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economic Overview

The global economy is navigating a complex landscape shaped by two opposing forces: energy-price pressures and trade route disruptions arising from conflict in the Middle East, countered by an accelerated global technology investment cycle driven by artificial intelligence (AI) deployment.

According to the International Monetary Fund (IMF) World Economic Outlook Update (July 2026), global real GDP growth is projected to moderate to 3.0% in 2026 before recovering to 3.4% in 2027. This reflects a slight deceleration from the 3.5% average recorded during 2024–2025, though cumulative growth projections remain broadly steady compared to earlier estimates.

Key Macroeconomic Trends & Divergences

1. Inflation and Monetary Stance

- Disinflation Stall: Driven by elevated energy, commodity, and fertilizer costs, global headline inflation is projected to rise to 4.7% in 2026 (up from 4.1% in 2025) before easing to 3.9% in 2027.
- Monetary Policy: Central banks maintain cautious and restrictive policy stances to prevent second-round inflation pressures while stabilizing long-term expectations.

2. Trade Volumes & Supply Chains

- Global trade volume growth is expected to slow sharply to 3.5% in 2026 from 5.0% in 2025 due to early trade front-loading, elevated shipping costs, and tariff impacts, before rebounding to 4.3% in 2027.

3. Regional Performance Highlights

- India (Bright Spot): India remains the fastest-growing major economy globally, with real GDP projected to grow at 6.4% in FY2026 and pick up to 6.7% in FY2027 (on a fiscal year basis), driven by resilient private consumption, robust services activity, and domestic investment.
- Advanced Economies: Projected to grow at 1.7% in 2026 and 1.8% in 2027. The United States remains resilient with 2.3% growth in 2026, supported by fiscal spending and tech investment. The Euro Area experiences modest expansion at 0.9% in 2026 due to higher energy costs and subdued consumer sentiment.
- Emerging Markets & Developing Economies (EMDEs): Overall growth is forecast at 3.8% in 2026 before expanding to 4.5% in 2027. China's growth moderates to 4.6% in 2026 amid structural headwinds and weak domestic demand.

Outlook Summary

While near-term growth faces downside risks from geopolitical volatility, supply chain frictions, and tight financial conditions, the medium-term outlook remains underpinned by accelerating AI infrastructure buildouts, strong high-tech manufacturing, and structural economic reforms in high-growth emerging markets like India.

Key Takeaways

- ***India remains the fastest-growing major economy.***
- Global growth is projected at 3.0% in 2026 and 3.4% in 2027, according to the IMF's July 2026 update.
- IMF has lowered its global growth forecast amid geopolitical tensions.
- Rising oil prices are adding to global inflation pressures.
- Energy and commodity price swings may alter input costs.
- India's infrastructure spend offers opportunities for road construction.
- Mining outcomes rely on demand, prices, and regulatory approvals.

Source: IMF World Economic Outlook, July 2026

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC INDICATORS AT A GLANCE:

Indicator / Metric	2025	2026 (P)	2027 (P)
Global Output Growth	3.50%	**3.00%**	**3.40%**
Advanced Economies Growth	1.90%	**1.70%**	**1.80%**
Emerging Market & Developing Economies	4.50%	**3.80%**	**4.50%**
India GDP Growth (FY Basis)	7.70%	**6.40%**	**6.70%**
Global Headline Inflation	4.10%	**4.70%**	**3.90%**
World Trade Volume Growth	5.00%	**3.50%**	**4.30%**

IMF Growth Forecast 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Forces Shaping The Outlook

The macroeconomic landscape for 2026 and beyond is characterized by intense divergence, driven by opposing global macro forces. While geopolitical conflicts weigh on supply chains and commodity prices, structural investment in advanced technology continues to provide strong offsetting momentum.

1. *Geopolitical Conflicts and Commodity Price Volatility*

- Energy & Commodity Pressures: Ongoing conflicts, particularly in the Middle East, continue to disrupt crucial shipping lanes, impacting shipping costs and causing volatility in crude oil, gas, and fertilizer markets.
- Asymmetric Regional Impact: The economic toll is highly uneven. Energy importers with limited high-tech footprint face severe term-of-trade degradation and margin compression, whereas net energy exporters benefit from favorable terms of trade.

2. The AI & Global Technology Investment Cycle

- Tech-Driven Productivity: Accelerated capital expenditure into Artificial Intelligence (AI) infrastructure, semiconductor fabrication, and digital transformation serves as a significant growth engine for the global economy.
- Integration Advantage: Economies deeply integrated into the global technology value chain such as select advanced economies and high-tech manufacturing hubs are experiencing strong activity that offsets broader global drag.

Headwinds & Risks	Tailwinds & Opportunities
Geopolitical Volatility & War Shock	AI & High-Tech Investment Cycle
Stalled Global Disinflation	Energy-Exporters' Terms-of-Trade
Trade & Supply Chain Fragmentation	India's Domestic Economic Resilience

3. Stalled Disinflation & Monetary Policy Stance

- Inflation Persistence: Driven by elevated energy costs and freight rates, global headline inflation is expected to tick up to 4.7% in 2026 before easing to 3.9% in 2027. This upward tick indicates that the steady disinflation observed since early 2024 has temporarily Inflationary conditions may influence the cost of fuel, construction materials, transportation, labour and other inputs relevant to infrastructure and mining businesses.
- Cautious Central Banking: Central bank monetary calibration creates mixed global financing conditions. Shifts in interest rates directly affect borrowing costs, working capital, and investment decisions, impacting project execution and capital deployment for infrastructure businesses.

4. Supply Chain Realignment and Trade Fragmentation

- Supply Chain: While the Company's principal activities are domestic in nature, changes in global supply chains may indirectly affect the availability and cost of machinery, equipment, spare parts, fuel and other inputs used in construction and mining activities.
- Nearshoring & Resilience: Businesses worldwide are restructuring supply chains around "friend-shoring" and nearshoring models to build long-term operational resilience against policy and geopolitical disruptions.

5. Emerging Market Resilience: The India Advantage

- Fastest-Growing Major Economy: Amid global volatility, India stands out with projected real GDP growth of 6.4% in FY2026 and 6.7% in FY2027.
- Domestic Drivers: India's expansion is underpinned by strong structural demand, sustained public capital expenditure, vibrant services exports, and rising private consumption, insulating the domestic economy against external headwinds.

Key Management Takeaway:

To navigate these macroeconomic crosscurrents, businesses must prioritize supply-chain agility, invest heavily in tech-enabled operational productivity, and maintain disciplined capital allocation to withstand elevated interest rates and potential market volatility.

(Source: IMF, World Economic Outlook Update, July 2026)

MANAGEMENT DISCUSSION AND ANALYSIS

Risks To The Outlook

Risks to the global economic outlook are more balanced than earlier in the year, though the overall balance of risks remains tilted to the downside. Geopolitical friction, inflation stickiness, and divergence in domestic economic performance continue to pose ongoing challenges.

Key Downside Risk Factors

1. Geopolitical Conflicts and Oil Price Shocks

- Middle East & Black Sea Escalation: A potential broadening of regional conflicts poses a major risk to international shipping lanes and energy supply lines.

- Commodity Price Spikes: Oil prices are assumed at $89.27/barrel in 2026 and $78.70/barrel in 2027 based on futures markets. Any supply disruption could trigger a sharp price spike, worsening input costs, driving up global inflation, and constraining growth in energy-importing economies.

2. Stalled Disinflation & Monetary Policy Tightening

- Persistent Inflation Pressures: Global headline inflation is projected at 4.7% in 2026 before moderating to 3.9% in 2027, indicating that disinflation has temporarily stalled.

- "Higher-for-Longer" Rates: If elevated energy and shipping costs feed into second-round inflation, central banks may be forced to maintain higher policy rates. Interest rate differentials and a stronger US dollar could alter global capital flows and increase external financing pressure on emerging markets.

3. Technology Risk: "AI Disappoints" Scenario

- Productivity & Capex Underperformance: A key downside risk to the global tech tailwind is the potential that productivity gains and revenue realization from massive AI capital investments fall short of market expectations. A pullback in corporate technology spending could drag down economic growth in economies heavily reliant on the high-tech supply chain.

Global Downside Risk	Domestic & Macro Mitigants
Broadening Middle East Conflict	Union Budget Fiscal Buffer (4.3%)
"AI Disappoints" Capex Drag	Sustained Public Capex Outlay
Stalled Disinflation & Tight Rates	Moderate Domestic Inflation (~4%)

MANAGEMENT DISCUSSION AND ANALYSIS

Domestic Counter-Cyclical Buffers & Mitigants

1. Indian Macroeconomic Insulation

- Fiscal Consolidation Path: The Union Budget 2026–27 targets a narrowed fiscal deficit of 4.3% of GDP (down from 4.4% in FY 2025–26 RE), on a glide path toward 50% central liabilities by March 2031. This provides macro-stability and reinforces investor confidence.
- Investment Impulse: Public capital expenditure has been raised from ₹11.2 lakh crore to ₹12.2 lakh crore, sustaining investment-led growth and crowding in private investment.
- Moderate Inflation & Domestic Demand: Inflation in India remains relatively contained (~4%), supported by a strengthening labor market, steady wage growth, and continuous structural reforms (such as GST simplification and notification of Labour Codes).

Year	Global Headline Inflation
2025	4.1%
2026	4.7%
2027	3.9%

Source: IMF, World Economic Outlook Update, July 2026

Key Data Pointers

3.4% — *IMF's projected global growth rebound for 2027 (up from 3.0% in 2026).*

$89.27 / $78.70 — *Assumed average crude oil price (US$/barrel) for 2026 and 2027 respectively.*

4.3% of GDP — *India's target fiscal deficit for FY 2026–27 (down from 4.4%), bolstering domestic resilience.*

7.7% — *India's real GDP growth in FY 2025–26, confirming its standing as the fastest-growing major economy despite external crosscurrents.*

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

Real GDP gowth is estimated at around 7.5% duringFY 2025-26 for the Indian economy, supported by strong domestic demand, resilient private consumption and sustained public investment. Growth will be underpinned by moderate inflation, a resilient labour market and continued momentum in manufacturing and services. Investment activity is expected to strengthen further on the back of over 350 structural reforms rolled out during the year including GST simplification and notification of the Labour Codes alongside sustained public capital spending. Inflation is expected to remain contained, though a less benign monsoon or elevated global commodity prices remain key watch-points.

The Union Budget for fiscal year 2026-27 targets continued fiscal consolidation, narrowing the headline fiscal deficit from 4.4% of GDP (RE 2025-26) to 4.3% of GDP in FY 2026-27, with revenue deficit steady at 1.5% of GDP. The Centre's outstanding liabilities are estimated at 55.6% of GDP, on a path toward 50% by March 2031. Public capex has been raised from Rs. 11.2 lakh crore to Rs. 12.2 lakh crore, while continued reform of tax administration, logistics efficiency and deregulation is expected to further bolster private investment.

Domestic Demand Support Activity

Domestic demand remained resilient through FY 2025-26, supported by robust private consumption, sustained public capital spending and continued momentum in industrial activity. GST simplification and other structural reforms part of the over 350 reforms rolled out during the year along with moderate inflation and a strengthening labour market, helped sustain household spending and business investment through the year. Private consumption continued to strengthen through the year, aided by moderate inflation, recent tax relief and steady wage growth, while ***public capital ependiture budgted to rise from Rs. 11.2 lakh crore to Rs. 12.2 lakh crore in 2026-27*** provided a continued fiscal impulse to investment-led demand.

The MSME sector received targeted support through a dedicated Rs. 10,000 crore SME Growth Fund and liquidity measures under TReDS, strengthening the base of demand beyond large enterprises.

Looking ahead, sustained rural demand, continued policy predictability and the government's stated focus on deregulation and ease of doing business are expected to keep domestic consumption on a steady growth path, even as external headwinds including tariff-related uncertainty and volatile commodity prices remain key monitorables.

(Source: Union Budget 2026-27)

MANAGEMENT DISCUSSION AND ANALYSIS

High budgetary allocation for infrastructure

The government has increased its infrastructure capital outlay to Rs 12.2 lakh crore for 2026-27, an increase over the Rs 11.2 lakh crore allocated in 2025-26, reaffirming infrastructure as a core growth lever. This is supported by the newly established Infrastructure Risk Guarantee Fund, which will de-risk private lending into infrastructure projects, and by capital recycling of CPSE real estate assets through dedicated REITs to free up fresh capital for new project investment. The Rs 2 lakh crore SASCI Scheme continues to support states in building city-level infrastructure, while Purvodaya the government's Integrated East Coast Industrial Corridor initiative extends the infrastructure push into Eastern India through five new tourism destinations and 4,000 electric buses allocated to the region (Union Budget 2026-27).

₹ 12.2
Lakh Crore

Infrastructure capital outlay for 2026-27

Indicators	2022	2023	2024	2025	2026	2027
	(Current prices INR trillion)	Percentage changes, volume (2021/2022 prices)				
GDP at market prices	261.2	7.2	7.1	7.6	**6.3**	**6.4**
Private consumption	149.2	5.8	5.8	8.2	**6.8**	**7.2**
Government consumption	28.9	0.6	6.5	5.6	**5.5**	**6**
Gross fixed capital formation	84.5	7.3	6.4	7.1	**6**	**7.2**
Final domestic demand	262.7	5.7	6.1	7.6	**6.4**	**7.1**
Stockbuilding[1,2]	5.3	0.8	0	0	**0**	**0**
Total domestic demand	268	6.6	6.8	8.5	**6.3**	**7**
Exports of goods and services	62.8	0.7	6.6	6.6	**3**	**4**
Imports of goods and services	69.6	-1	5.3	10.2	**3.5**	**6.6**
Net exports[1]	-6.8	0.4	0.2	-1	**-0.2**	**-0.7**
GDP deflator	_	3.5	2.5	1.1	**3.1**	**3.6**
Consumer price index	_	5.4	4.6	2.1	**4.8**	**4**
Central government financial balance (% of GDP)	_	-5.7	-4.9	-4.5	**-4.8**	**-4.5**
Central government gross debt (% of GDP)	_	59.8	58.4	57.3	**56.2**	**54.8**
General government financial balance (% of GDP)	_	-8.3	-8.1	-7.4	**-7.7**	**-7.4**
General government gross debt (% of GDP)	_	85	84.1	83.5	**83.1**	**82.1**
Current account balance (% of GDP)	_	-0.8	-0.6	-0.7	**-2.1**	**-1.2**

Source: OECD Economic Outlook, Volume 2026 Issue 1 (India Economic Snapshot & Projections Dataset).

MANAGEMENT DISCUSSION AND ANALYSIS

Allocation in Budget '26-27

As of March 2026, the Ministry-wise progress of projects is as follows:

1. ***Ministry of Road Transport and Highways:***

   NHAI constructed 5,313 km of National Highways in FY2025-26 15% above its target of 4,640 km with capital expenditure of over Rs 2.44 lakh crore for the year (Ministry of Road Transport and Highways, April 2026).

2. ***Department of Telecommunications (BharatNet):***

   Under the BharatNet programme, 7.19 lakh km of optical fibre cable has been laid to date, with 78,899 of the ~2.64 lakh targeted Gram Panchayats now having operational broadband connectivity (Parliamentary Standing Committee on Communications & IT, February 2026).

3. ***Ministry of Petroleum and Natural Gas:***

   India's operational natural gas pipeline network stands at 24,945 km, up 62.6% from 15,340 km in 2014, with a further 10,805 km under development to complete the National Gas Grid (Ministry of Petroleum & Natural Gas, latest published year-end review).

4. ***Ministry of Power:***

   In FY 2025–26, India's power sector achieved significant expansion, reaching over 450 GW of total installed capacity with non-fossil sources exceeding 45%. Under the Ministry of Power and CEA, the sector successfully met record peak demand (~250+ GW) while driving distribution efficiencies via RDSS, smart metering, and Green Energy Corridor transmission upgrades.

Ministry / Scheme	2026-27 (BE)	Change vs 2025-26 RE
Road Transport & Highways	Rs 3,09,875 crore	0.079
Railways	Rs 2,81,377 crore	0.101
Public capex (overall)	Rs 12.2 lakh crore	up from Rs 11.2 lakh
Dedicated Freight Corridor	Surat–Dankuni (new)	—
National Waterways	20 new waterways	to be operationalised
SASCI Scheme (state infra support)	Rs 2 lakh crore	—

(Source: Union Budget 2026-27)

Infrastructure industry overview

In the Union Budget 2026-27, capital investment outlay for infrastructure has been increased to Rs. 12.2 lakh crore, up from Rs. 11.2 lakh crore in 2025-26. An Infrastructure Risk Guarantee Fund has been set up to offer partial credit guarantees to lenders, aimed at crowding in more private investment in infrastructure. Key allocations directly relevant to SML's business include a new Dedicated Freight Corridor connecting Surat to Dankuni, 20 new National Waterways to be operationalised over the next five years, and dedicated schemes to boost domestic manufacturing of construction and infrastructure equipment.

Water infrastructure adds a further opportunity, with Rs. 6,587 crore allocated to the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), including lift irrigation schemes and a new Rs. 1,600 crore scheme to replace open field channels with pressurised piped irrigation networks.

MANAGEMENT DISCUSSION AND ANALYSIS

Steel Industry Overview

The Union Budget 2026–2027 sets a strong foundation for the steel sector. This is mainly driven by a record government infrastructure budget of ₹12.2 lakh crore, which has increased from ₹11.2 lakh crore last year. A major highlight for heavy industries is a new ₹20,000 crore, 5-year green fund aimed at capturing carbon pollution. This initiative helps the steel sector, along with power, cement, and oil refineries, adopt eco-friendly production methods. To lower production costs for special steel alloys, the government has removed import taxes on machinery used to process key minerals. Additionally, new dedicated freight railway lines connecting Dankuni in the East to Surat in the West will make transporting heavy raw materials like coal, iron ore, and finished steel much faster and cheaper.

Future steel demand is strongly supported by several large-scale government projects. The construction of 7 regional high-speed rail corridors, including major routes like Mumbai–Pune, Delhi–Varanasi, and Hyderabad–Bengaluru, will require vast amounts of structural steel.

In addition, the government is opening 20 new river transport waterways, starting with one in Odisha that connects mineral-rich areas like Talcher and Angul directly to key ports like Paradeep and Dhamra. To boost domestic equipment manufacturing, a new support program called the CIE scheme was created to help make heavy building machines locally. Meanwhile, urban development is getting a major push with a ₹5,000 crore allocation per regional city zone over five years to build up modern infrastructure in smaller Tier-II and Tier-III towns. For Sobhagya Mercantile Limited, the continued focus on infrastructure development presents a potential long-term demand opportunity for steel and related construction materials. The Company's proposed integrated steel project at Konsari, Gadchiroli, is currently under development and remains subject to land allotment, applicable statutory and environmental approvals, financing, construction and other project implementation requirements. Accordingly, the Company's steel business opportunity should be viewed in the context of these development milestones and prevailing market conditions.

The budget also introduces tax and trade updates to make doing business safer and easier. A new Infrastructure Risk Guarantee Fund has been set up to offer credit protection to lenders, making private companies feel safer investing in massive building projects. To help factories use up their extra manufacturing space, a special one-time rule allows export-zone plants to sell goods locally at discounted tax rates. Finally, shipping speed and port clearance for imported raw materials and steel exports will be much faster thanks to modern digital customs systems and non-intrusive AI container scanners.

MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure construction industry overview

The Union Budget 2026–2027 provides a massive boost to the infrastructure construction industry, anchored by a record public capital expenditure outlay of ₹12.2 lakh crore. Effective capital expenditure, which includes grants for capital asset creation, reaches ₹17.15 lakh crore, reinforcing the government's capex-led growth strategy to crowd in private sector investment. To make large construction projects less risky for private developers and contractors, the budget introduced the Infrastructure Risk Guarantee Fund, which offers partial credit guarantees to lenders during the development and building phases. Furthermore, long-term financing options are being expanded through institutions like NaBFID and NIIF, along with streamlined rules for Infrastructure Investment Trusts (InvITs) to recycle capital into new projects.

At the execution level, transport megaprojects form a core driver for construction activity across the country. High-speed rail construction is getting a significant push with the planned development of 7 inter-city rail growth corridors connecting major economic hubs such as Mumbai–Pune, Delhi–Varanasi, and Hyderabad–Bengaluru. Simultaneously, the expansion of Dedicated Freight Corridors and the addition of 20 new National Waterways over five years will require extensive dredging, port facility expansion, and terminal construction. To support last-mile transport and regional mobility, the budget also promotes coastal shipping infrastructure under the Coastal Cargo Promotion Scheme and provides viability gap funding for seaplane operations and regional aviation hubs.

Urban transformation and domestic manufacturing support round out the budget's construction strategy. A total allocation of ₹5,000 crore per City Economic Region (CER) over five years is set to transform Tier-II and Tier-III towns into modern regional growth hubs through reform-and-results-based local infrastructure projects. To reduce import reliance and strengthen the local supply chain, the government launched a dedicated scheme for the domestic manufacturing of construction and heavy infrastructure equipment.

Combined with increased outlays for essential utility projects like the Jal Jeevan Mission, these initiatives provide strong, long-term demand visibility for engineering, procurement, and construction (EPC) contractors across India.

MANAGEMENT DISCUSSION AND ANALYSIS

Infrastructure engineering Industry overview

Infrastructure engineering is undergoing a revolutionary shift, evolving from simple heavy civil work into a dynamic, tech-driven strategic enabler for national economic growth. Driven by the vision of Viksit Bharat and a record public capital outlay in the Union Budget 2026–2027, the sector is translating massive public investments into multi-modal transport networks, climate-resilient urban systems, and renewable energy grids under frameworks like PM GatiShakti. SML's continued increase in public infrastructure expenditure presents opportunities across its core infrastructure construction and engineering activities, particularly in road and irrigation projects. The Company's existing experience in executing road infrastructure projects in Maharashtra, including projects under EPC and Hybrid Annuity Model (HAM) structures, provides a platform to participate in the continued infrastructure development cycle.

Stone crushing industry overview

The demand for crushed stone and manufactured sand (M-sand) has accelerated significantly across national road, rail, and urban developments. The market displays strong momentum and a clear upward trend, reinforced by the government's sustained push toward large-scale infrastructure execution.

The India stone crushing market is witnessing significant expansion as the construction and civil infrastructure sectors utilize crushed stones as non-substitutable raw materials. The market's positive outlook is directly driven by massive consumption in key projects, including the development of 7 regional high-speed rail corridors, expanding Dedicated Freight Corridors, and modernizing 20 new National Waterways. Furthermore, urban infrastructure investments supported by a ₹5,000 crore allocation per City Economic Region across Tier-II and Tier-III towns are boosting consumption for building foundations, road bases, and concrete aggregates. Supported by tax incentives for critical mineral processing capital goods and a growing industry focus on eco-friendly, energy-efficient crushing technology, the market overview points to an exceptionally positive outlook with lucrative opportunities for crushing equipment manufacturers and aggregate suppliers to cater to national growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Mining Industry overview

India's mining sector remains vital for energy security, industrial growth, and critical raw materials. Government policies continue to prioritize domestic mineral availability, exploration, and local processing capabilities for strategic minerals.

For SML, the mining vertical represents a potential long-term growth opportunity through its coal and critical mineral initiatives.

Marki Mangli-IV Coal Mine

The Marki Mangli-IV coal block project has completed its public hearing process and received environmental clearance vide letter dated 07.08.2026. The project is not yet operational and commercial production should not be represented as having commenced. Future development and commencement of operations remain subject to receipt of the requisite approvals, fulfilment of statutory conditions and project implementation requirements.

Vadakhol Asoli Critical Minerals Project

Vadakhol Asoli Mining Private Limited was incorporated on 25th April 2026 as a subsidiary of SML for pursuing a composite critical minerals project. The project is at a development stage and is proposed to focus on Nickel, Chromium, Cobalt and associated minerals. The project remains subject to applicable exploration, mining, environmental, land, statutory and other regulatory approvals and therefore should be regarded as a prospective business opportunity rather than an established operating business.

The budget also places a strong emphasis on coal mining and bulk mineral logistics to meet rising national energy demands and supply raw materials for industrial growth. Driven by a record public capital outlay of ₹12.2 lakh crore, coal consumption across thermal power, steel, and cement sectors is projected to grow steadily. To streamline the evacuation and transport of coal and heavy ores, the government announced the operationalization of 20 new National Waterways over the next five years, beginning with NW-5 in Odisha. This key waterway will directly link major coal and mineral production centers like Talcher and Angul to the industrial hub of Kalinganagar and the deep-water ports of Paradeep and Dhamra. Coupled with new Dedicated Freight Corridors, these logistics upgrades aim to significantly lower freight costs, eliminate transit bottlenecks, and ensure uninterrupted coal supply for power generation and heavy industry.

Equipment leasing industry overview

The Indian construction equipment rental and leasing market is expected to maintain a steady growth momentum, driven by expanding infrastructure commitments. Automation in construction, mega-transportation projects, and the expansion of national highway networks continue to fuel demand across the country. High capital outlay and steep maintenance costs associated with specialized machinery have led contractors to increasingly prefer renting or leasing machinery over direct purchases.

In the Union Budget 2026–2027, public capital expenditure was increased to a record ₹12.2 lakh crore. This sustained CapEx push, combined with the launch of the Scheme for Enhancement of Construction and Infrastructure Equipment (CIE), directly supports the growth of domestic machinery production including tunnel-boring machines, high-capacity cranes, and heavy lifts creating a strong structural foundation for the equipment leasing market.

Material Handling Segment Dominates Rental Growth

Material handling equipment, particularly heavy-duty cranes, continues to play a pivotal role in India's large-scale engineering projects, making it the primary revenue generator in the construction equipment rental market. The announcement of major multi-year developments such as the 7 new regional high-speed rail corridors, new Dedicated Freight Corridors, and port-led infrastructure along 20 new National Waterways requires extensive material handling capabilities over extended project lifecycles. Rather than locking up balance sheet capital in expensive high-capacity cranes and specialized haulage units, developers are increasingly turning to long-term equipment leasing arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

Water Infrastructure & Irrigation Industry Overview

The Indian water infrastructure and irrigation sector continues to witness steady growth, backed by an allocation of ₹6,587 crore to the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) in the Union Budget 2026–27.

As the flagship umbrella program under the Department of Water Resources, River Development and Ganga Rejuvenation, PMKSY combines major infrastructure initiatives including the Accelerated Irrigation Benefits Programme (AIBP) and watershed development with micro-irrigation practices under the 'Per Drop More Crop' initiative. Since FY 2016–17, the program has created or restored irrigation potential across 24.61 million hectares, benefiting over 27 million farmers with cumulative central assistance exceeding ₹64,407 crore.

The Company's entry into the irrigation segment through the Adyal Lift Irrigation Scheme provides exposure to this infrastructure opportunity.

The project involves construction of the Adyal Lift Irrigation Scheme and has an estimated contract value of ₹260.53 crore with an execution period of 33 months, subject to the terms and conditions of the relevant contract.

Allocation of

₹ 6,587

Crore

To the Pradhan Mantri Krishi Sinchayee Yojana

To further enhance last-mile efficiency, the government introduced the Modernization of Command Area Development and Water Management (M-CADWM) sub-scheme under PMKSY-AIBP with an initial outlay of ₹1,600 crore. This scheme focuses on replacing open field channels with pressurized piped irrigation networks and micro-irrigation links, creating significant engineering demand for pipeline-laying, civil construction, and high-capacity pump installations. Moving forward, the budget prioritizes energy-linked operational efficiency such as adopting solar-powered pumps under PM-KUSUM to reduce diesel reliance and completing ongoing AIBP and lift irrigation projects rather than initiating large-scale new dam or canal construction.

MANAGEMENT DISCUSSION AND ANALYSIS

OPPORTUNITIES:

- **Accelerated Public CAPEX & Multi-Modal Corridors:** Sustained government momentum highlighted by the ₹12.2 lakh crore public CAPEX outlay for FY 2026-27 and targeted expansions under the PM Gati Shakti Master Plan continues to unlock high-value opportunities across heavy civil construction, freight corridors, and multi-modal transport infrastructure.

- **Commercial Mining & Critical Mineral Expansion:** Continued reforms in commercial coal mining, combined with new government incentives for critical minerals and modern equipment adoption, drive robust demand in heavy earthmoving, extraction, and mining services.

- **Urban Expansion & Infrastructure Services:** Rapid urban development, regional transit corridors, and the rollout of City Economic Regions (CERs) are accelerating demand for specialized engineering consultancy, turnkey contracting, and modern construction services.

- **Demand Shift Toward Equipment Leasing & Fleet Rental:** As mega-infrastructure projects scale up in complexity and capital intensity, contractors are increasingly shifting toward asset-light operational models, boosting long-term demand for high-capacity equipment leasing and specialized crane rental services.

THREATS:

- **Input Cost Volatility & Supply Chain Friction:** Unpredictable price swings in key commodities like steel, cement, and global fuel exacerbated by ongoing geopolitical tensions and trade crosscurrents pose an ongoing risk to project margin management.

- **Evolving HSE & Environmental Compliance Regulations:** Adherence to increasingly stringent Health, Safety, and Environment (HSE) standards, along with updated environmental permitting norms, increases operational complexity and may elevate upfront compliance costs.

- **Execution Bottlenecks & Right-of-Way Delays:** Persistent structural challenges in large-scale infrastructure execution including land acquisition delays, multi-agency permit clearances, and localized labor shortages continue to impact project completion timelines and cash flows.

MANAGEMENT DISCUSSION AND ANALYSIS

STRENGTHS

Sobhagya Mercantile Limited (SML), established in 1983, has transformed from a single-focus entity into a multi-disciplinary infrastructure conglomerate. Operating across core economic verticals including infrastructure construction, engineering consultancy, mining, equipment leasing, and steel manufacturing the company drives sustainable growth by aligning with national development priorities.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

Sobhagya Mercantile Limited ("SML"), incorporated in 1983 and listed on the BSE (Scrip Code: 512014), is a diversified infrastructure and resources company with operations spanning infrastructure construction, engineering consultancy, mining, equipment leasing, material production, and steel manufacturing. The Company has established a strong presence across both public and private sector projects, supported by modern equipment, advanced technology, and a skilled workforce.

The Infrastructure Construction division continues to drive strong progress across key regional corridors in Maharashtra, executing major highway projects including NAG 182, NAG 167, and NAG 176 under HAM and EPC models. Expanding its infrastructure footprint, SML secured a ₹219.78 crore road project (49.5 km) via its SRK-SVS joint venture from MSIDC. Additionally, the Company strategically entered the irrigation sector with a ₹260.53 crore contract for the Adyal Lift Irrigation Scheme under the Gosikhurd Project through a 40%-owned joint venture. Complementing these core verticals, the Infrastructure Engineering segment provides end-to-end consultancy and DPR services, while the Material Production division supplies high-quality aggregates via its fully functional stone-crushing facilities.

SML made significant progress across its mining, steel, and leasing verticals. The Marki Mangli-IV coal block project in Yavatmal completed its public hearing and received Environmental Clearance on 07.08.2026. Expanding into critical minerals, SML incorporated a new subsidiary, Vadakhol Asoli Mining Private Limited, for a composite Nickel, Chromium, and Cobalt project in Maharashtra. Its equipment leasing business provides modern machinery fleets to lower clients' capital expenditure. Additionally, SML is developing an integrated steel plant at Konsari, Gadchiroli, which holds "Mega Project" status from the Maharashtra government and has applied for industrial land allotment to supply high-grade construction and industrial steel.

With a track record of timely execution, financial resilience, and sectoral diversification, SML is strategically positioned to leverage India's infrastructure growth momentum. Driven by the government's sustained capital expenditure outlay of ₹11.21 lakh crore, expansion into irrigation and critical minerals, increasing demand for leasing solutions, and strong prospects in the steel sector, SML continues to create long-term value across the infrastructure landscape.

512014	1983	MAHARASHTRA
BSE SCRIP CODE	FOUNDING YEAR	PRESENCE

MANAGEMENT DISCUSSION AND ANALYSIS

PROJECTS:

1. NAG 182 Road Project – Chandrapur District, Maharashtra

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

2. NAG 167 Road Project – Chandrapur District, Maharashtra

Comprising multiple sub-projects, including Surbodi–Paharani–Brahman Road, Govindpur–Mangrul–Kitadi–Chindhichak, and Neri–Jambhulghat–Bhisi Road, this package strengthens intra-district connectivity.

3. NAG 176 Road Project – Chandrapur District, Maharashtra

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

4. Nandgaon Khandeshwar Rajura – Chandur Railway Kurha Road Project-Amravati District, Maharashtra

Awarded by the Maharashtra State Infrastructure Development Corporation (MSIDC) to M/s. SRK-SVS Joint Venture, this project involves improving a total road length of 49.5 km valued at ₹219.78 Cr, the project aims to enhance regional road infrastructure and strengthen last-mile connectivity across key local routes.

MANAGEMENT DISCUSSION AND ANALYSIS

UPCOMING PROJECTS:

1. Marki Mangli-IV Coal Block – Yavatmal District, Maharashtra

Located in the District Yavatmal, this key energy asset has successfully completed its public hearing phase. The project is currently advancing towards obtaining Environmental Clearance, marking a major milestone toward operational readiness and strengthening our long-term resource security.

2. Mega Steel Project – Konsari, Gadchiroli District, Maharashtra

As part of our strategic expansion into steel manufacturing, the Company has applied for industrial land at Konsari, Gadchiroli. The Maharashtra Government has assured the allotment, laying the groundwork for establishing an integrated manufacturing unit that will complement our infrastructure value chain.

3. Vadakhol Asoli Critical Minerals Project – Maharashtra

Incorporated on April 25, 2026, Vadakhol Asoli Mining Private Limited is a subsidiary of Sobhagya Mercantile Limited (holding a 60% stake in consortium with Caliber Mining and Logistics Limited at 40%). The entity will execute a composite critical minerals project focusing on Nickel (Ni), Chromium (Cr), Cobalt (Co), and associated minerals to support India's high-tech and clean energy supply chain.

4. Adyal Lift Irrigation Scheme (Gosikhurd Project) – Chandrapur District, Maharashtra

Awarded to M/s. Adyal L.I.S. (JV), in which the Company holds a 40% stake alongside S. S. Fabricators & Manufacturers Private Limited (60%), this project involves the construction of the Adyal Lift Irrigation Scheme in Taluka Bramhapuri. Valued at ₹260.53 Cr. with an execution period of 33 months, the initiative aims to enhance regional agricultural infrastructure and water security.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS:

(₹ in Lakhs)

Particulars	FY24	FY25	FY26
Revenue from Operations	11,523.75	15,728.42	**23,250.41**
Other Income	486.86	312.30	**259.18**
Total Revenue	12,010.61	16,040.73	**23,509.59**
EBITDA	1,802.90	2,552.57	**3,564.07**
Profit Before Tax	1,572.85	2,384.12	**3,271.03**
Tax Expenses	414.59	831.04	**1,067.16**
Profit After Tax	1,158.26	1,553.08	**2,203.87**

Total Revenue

16,040.73
FY25

23,509.59
FY26

EBIDTA

2,552.57
FY25

3,564.07
FY26

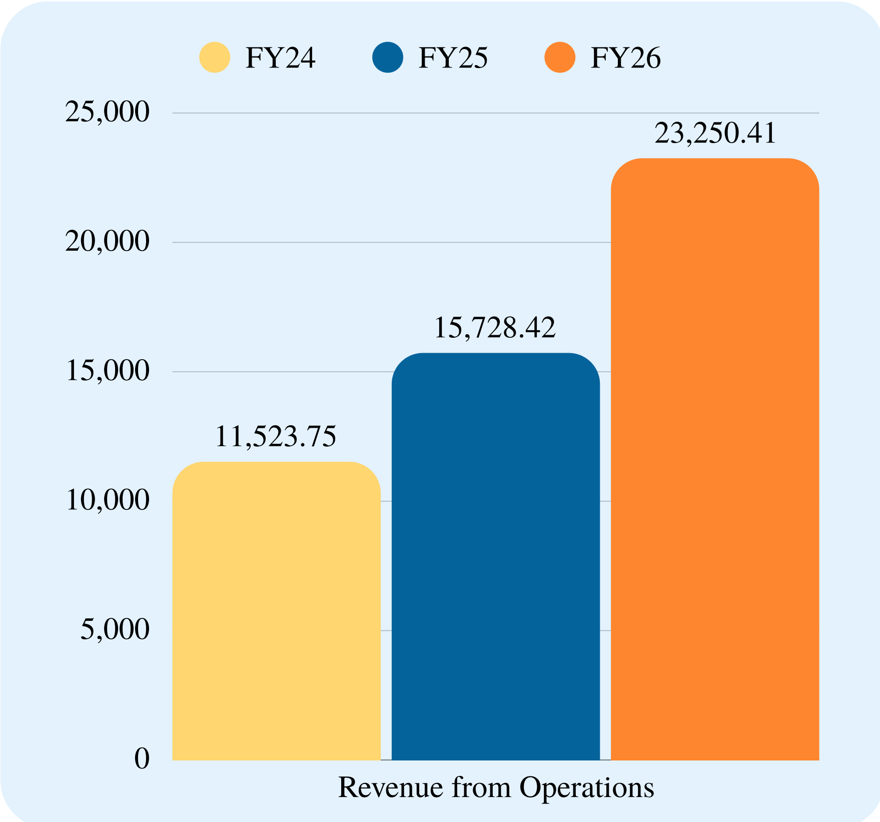
Profit After Tax YoY Growth

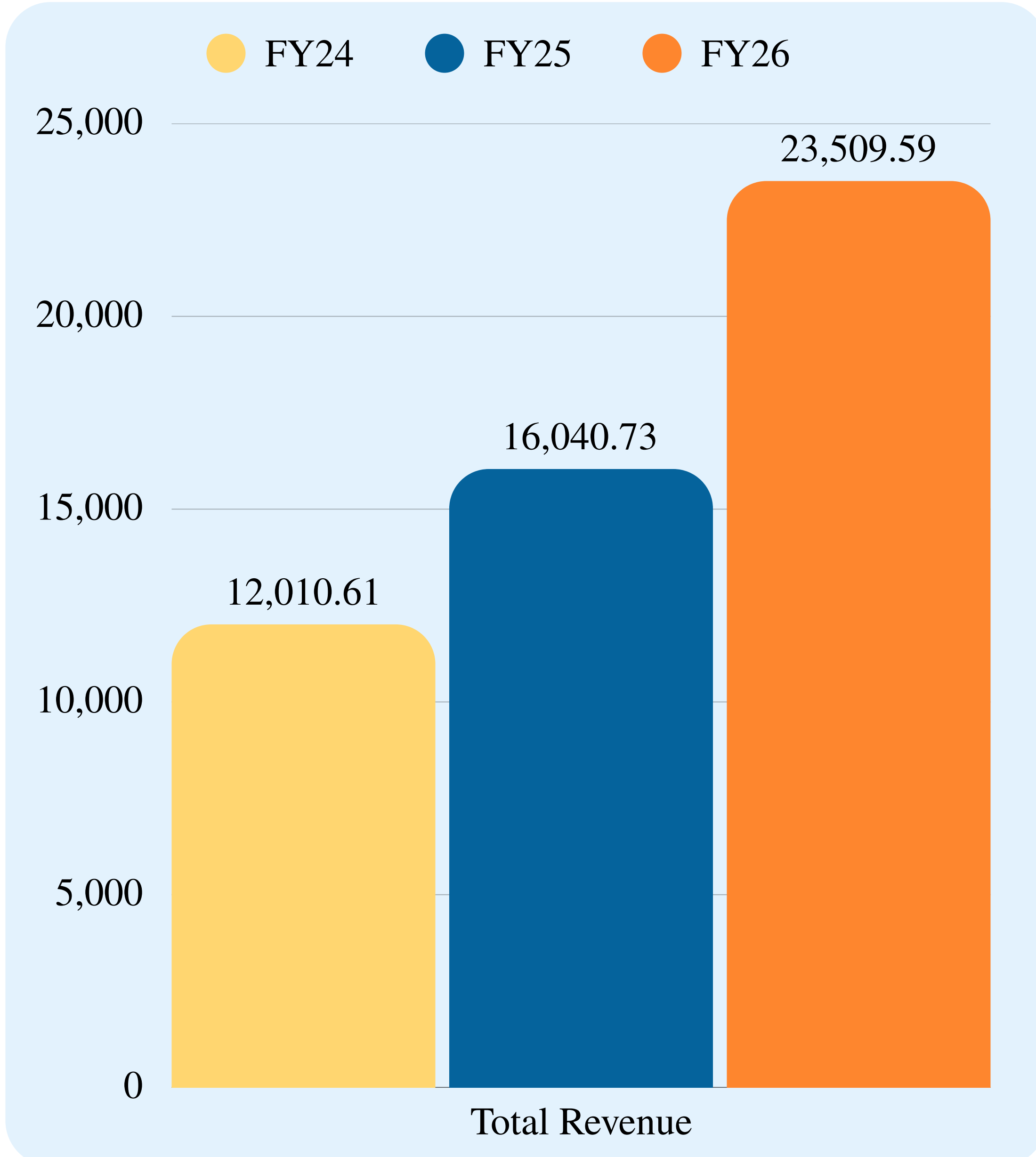
34.09%
FY25

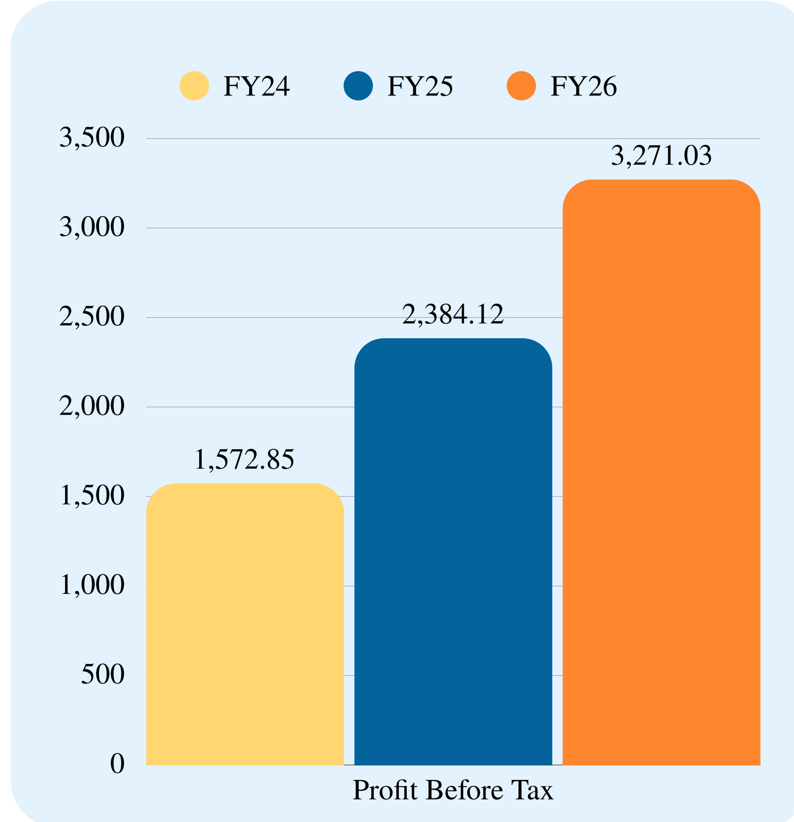
41.90%
FY26

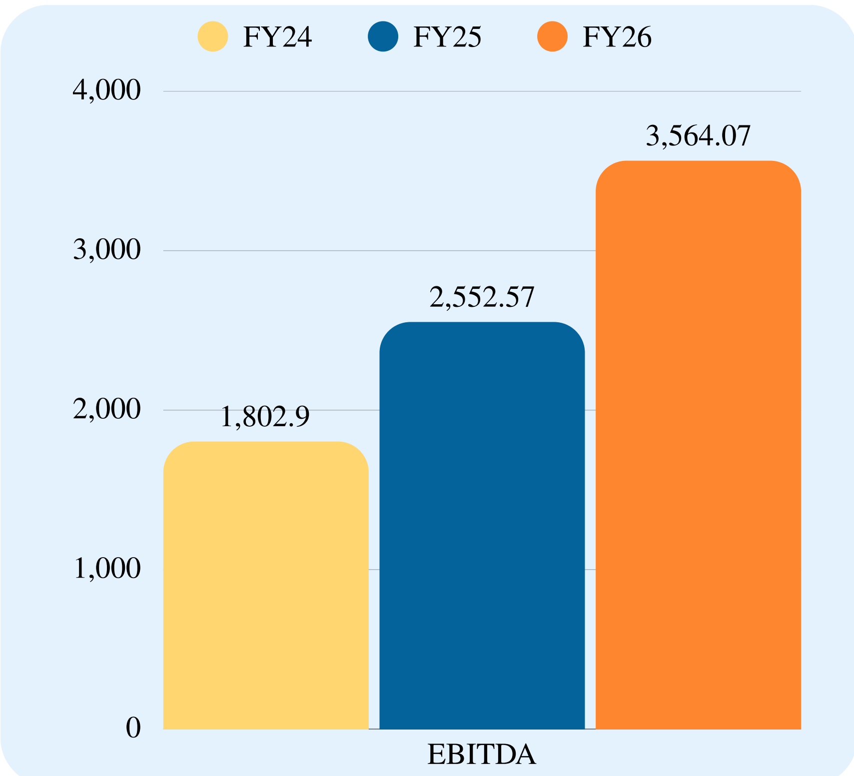
MANAGEMENT DISCUSSION AND ANALYSIS

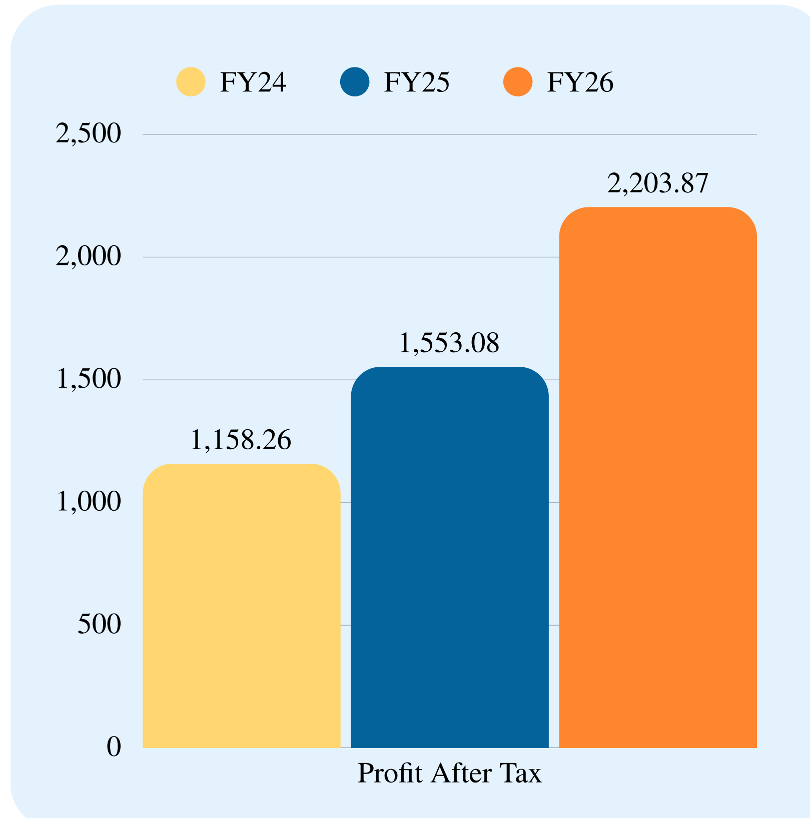
FINANCIAL ANALYSIS:











MANAGEMENT DISCUSSION AND ANALYSIS

- ***EBITDA Margins***

Margins declined in FY26 (16.23% → 15.33%) primarily due to a rise in input and execution costs, a shift toward a lower-margin project mix, and some erosion in operational efficiency during the period.

- ***Net Profit Margins***

Margins declined in FY26 (9.87% → 9.48%) primarily due to a rise in input and execution costs, a shift toward a lower-margin project mix.

- ***Debtors Turnover Ratio***

The decrease in debtors turnover ratio (2.49 → 1.92) is due to slower collections combined with an increase in sales.

- ***Inventory Turnover***

The increase in inventory turnover ratio (81.61 → 93.69) is primarily driven by faster movement of inventory and improved execution pace relative to inventory held during the period.

- ***Interest Coverage Ratio***

The decrease in interest coverage ratio (40.58 → 36.64) is primarily due to higher finance costs.

- ***Current Ratio***

The increase in current ratio (1.81 → 2.21) is primarily due to an improvement in current assets relative to current liabilities, reflecting stronger short-term liquidity during the period.

- ***Debt Equity Ratio***

The increase in debt equity ratio (0.08 → 0.11) is primarily due to a higher proportion of borrowings relative to shareholders' equity during the period.

- ***Operating Profit Margin***

The decrease in operating profit margin (32.01% → 28.26%) is primarily due to a rise in operating costs.

- ***Return on Net Worth***

The decrease in return on net worth (19.43% → 11.42%) is primarily due to lower net profit combined with an increase in shareholders' equity during the period.

RATIOS:

Particulars	FY25	FY26
EBITDA Margins	16.23	**15.33**
Net Profit Margins	9.87	**9.48**
Debtors Turnover Ratio	2.49	**1.92**
Inventory Turnover	81.61	**93.69**
Interest Coverage Ratio	40.58	**36.64**
Current Ratio	1.81	**2.21**
Debt Equity Ratio	0.08	**0.11**
Operating Profit Margin	32.01	**28.26**
Return on Net Worth	19.43	**11.42**

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

Moving forward, the company's focus on enhancing operational efficiency, managing costs, and optimizing its product portfolio is expected to drive further improvements in profitability. The continued sales growth, alongside strategic investments, positions the company well for sustained financial health.

RISK

Regulatory Risks

These involve compliance with laws and regulations governing the infrastructure and construction sectors. Changes in regulations can impact project timelines, costs, and operational practices.

Competition Risks

The infrastructure sector is highly competitive. SML faces risks from existing competitors and new entrants, which may affect market share and profitability.

Business Risks

Financial Risk: Fluctuations in interest rates, currency exchange rates, and credit risks can adversely affect financial performance.

Political Risk: Changes in government policies, political instability, or geopolitical tensions can impact operations and project viability.

Legal Risk: Potential legal disputes or liabilities arising from contracts, compliance issues, or regulatory challenges.

Technology Obsolescence

Rapid advancements in technology can render existing processes or equipment outdated, necessitating continuous investment in new technologies to maintain competitiveness.

Retention of Workforce

The ability to attract and retain skilled labor is crucial in the construction sector. High turnover rates or skill shortages can hinder project execution and operational efficiency.

Operational Risks

These include risks associated with day-to-day operations, such as project delays, safety incidents, and supply chain disruptions, which can affect overall performance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has well laid out policies on financial reporting, asset management, adherence to management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the Management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also review the internal control systems along with the Management and the Internal Auditors. The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management and also with the Statutory Auditors and are consistently reviewed by the Audit Committee.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

During the year under review, the Company achieved a total income of Rs. 23509.59 Lakhs and a profit of Rs. 2210.83 Lakhs, reflecting an increase from the previous year's income of Rs. 7468.86 Lakhs and profit of Rs. 652.71 Lakhs. The Company remains focused on improving its profitability and operational performance in the coming years through strategic initiatives, operational efficiencies and a comprehensive approach towards sustainable and long-term growth.

HUMAN RESOURCES

The Company has chosen to outsource its entire payroll management to MKS Multimedia Private Limited. During the financial year 2025-26, MKS Multimedia Private Limited has engaged approximately 157 employees to work for the Company. These employees are essentially performing roles within the Company, even though they are on the payroll of MKS Multimedia Private Limited.

CAUTIONARY STATEMENT:

The Management Discussion and Analysis may include statements regarding the Company's goals, projections, and expectations, which could be considered "forward-looking statements" as defined by relevant laws and regulations. These statements are based on informed judgments and estimates; however, actual outcomes may vary significantly from those anticipated. The forward-looking statements are subject to various risks and uncertainties, including economic conditions affecting demand, supply, and pricing in the domestic and international markets where the Company operates, changes in government regulations and policies, tax laws, and other factors that could impact the Company's operations.

INDEPENDENT AUDITORS' REPORT

To,
The Members of,
Sobhagya Mercantile Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Sobhagya Mercantile Limited ("the Company"), which comprise the Balance Sheet as at March 31 2026, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, total comprehensive income and changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the financial Statements* section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors in the financial results.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the

Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2" to this report;

B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at March 31 2026 on its financial position in its financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. **(a)** The respective management of the Company, to the best of its knowledge and belief, as disclosed in the Note 51 to the financial statements, no funds other than as disclosed in the notes to the accounts have been advanced or loaned or invested by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Company, to the best of its knowledge and belief, as disclosed in the Note 51 to the financial statements that no funds other as disclosed in the notes to the accounts have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on our audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that can cause us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. In our opinion, based on information and explanation provided to us dividend neither declared nor paid during the year by the company is in compliance with section 123 of the Companies Act 2013.

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01st April, 2023. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Jaydip Joshi
Partner
Membership No.: 170300
UDIN: 26170300LREVMV8629

Place: Mumbai
Date: 29th May, 2026

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAGYA MERCANTILE LIMITED for the year ended on March 31st 2026]

i. In respect of the Company's Property, Plant and Equipment and Intangible asset:

a) **(A)** The Company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company is maintaining proper records showing full particulars of intangible assets;

b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years of physically verifying the Property, Plant and Equipment. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) The company does not own immovable properties. Hence, the reporting under clause i(c) is not applicable.

d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not revalued its property, Plant and Equipment and intangible assets during the year.

e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

ii. a) The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets during the year. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us, the Company has made investments in companies and has not made any investments in firms, limited liability partnership and other parties during the year. The Company has not provided any guarantee or security to company, firms, limited liability partnership or any other parties during the year. The Company has granted loans and advances in the nature of loans, unsecured, to companies, during the year, in respect of which the requisite information is below:

a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans to any other entity as below:

Sr No.	Particulars	Amount (Rs. in lakhs)
	Aggregate amount granted during the year	
1	Related Parties in which directors are interested	349.26
2	Other Parties	-
	Total	**349.26**
	Balance outstanding as at balance sheet date	
1	Related Parties in which directors are interested	5,365.56
2	Other Parties	-
	Total	**5,365.56**

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

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

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

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

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

Particulars	Related Parties (Rs. in lakhs)
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	5,365.56
- Agreement does not specify any terms or period of Repayment (B)	-
Total (A+B)	**5,365.56**
Percentage of loans/advances in nature of loan to the total loans	100%

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

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

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

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

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs. In lakh)	Period
1	Income Tax Act	Tax Amount	616.46	FY 2024-25

(b) According to the information and explanation given to us, there are no dues of Income tax, Goods and Service Tax, which have been outstanding on account of any dispute except the following cases:

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs. In lakh)	Period	Forum where dispute is pending
1	Income Tax Act	Interest Amount	58.83	FY 2023-24	CIT (A)

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

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

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

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

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

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

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

x. a) The Company has not raised moneys by way of initial public offer/ further public offer through debt instruments during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has raised moneys by way of Preferential Issue of 13,48,500 equity shares at having face value of ₹10/- each at a premium of ₹664.49/-, aggregating ₹9,095.50 lakhs. We report that money raised by way of preferential issue of equity shares during the year have been applied by the Company for the purposes for which they were raised the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

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

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

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

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

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

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

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

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

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

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

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) In our opinion and according to the information and explanations given to us, there is unspent amount of Rs. 8.98 lakhs under sub-section (5) of section 135 of the Companies Act, 2013. The company has not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e. six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

xxi. In our opinion, the financial statements are standalone; Hence, paragraph 3(xxi) is not applicable.

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

Jaydip Joshi
Partner
Membership No.: 170300
UDIN: 26170300LREVMV8629

Place: Mumbai
Date: 29th May, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SOBHAGYA MERCANTILE LIMITED on the financial statements for the year ended March 31, 2026]

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

We have audited the internal financial controls over financial reporting of Sobhagya Mercantile Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

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

Jaydip Joshi
Partner
Membership No.: 170300
UDIN: 26170300LREVMV8629

Place: Mumbai
Date: 29th May, 2026

BALANCE SHEET

As at 31st March, 2026

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
(I) ASSETS			
(1) Non-current Assets			
(A) Property, Plant & Equipment	**4a**	103.22	110.17
(B) Capital Workin Progress		-	-
(C) Investment Property		-	-
(D) Goodwill		-	-
(E) Other Intangible Assets	**4a**	1.45	3.55
(F) Intangible Asset under Development	**4a**	88.15	88.15
(G) Right of Use Asset	**4b**	25.04	5.01
(H) Biological Asset other than Bearer Plant		-	-
(I) Financial Assets			
(i) Investments	**5**	24.84	17.88
(ii) Trade Receivables		-	-
(iii) Loans		-	-
(iv) Others		-	-
(J) Deferred Tax Assets (Net)	**6**	172.59	243.04
(K) Other Non-Current Asset		-	-
(2) Current Assets			
(a) Inventories	**7**	301.20	195.15
(b) Financial Assets			
(i) Investments	**8**	7,853.39	-
(ii) Trade Receivables	**9**	13,443.71	10,724.12

(iii) Cash and cash equivalents	**10**	6,254.00	4.79
(iv) BankBalance other than (iii)	**11**	205.60	132.63
(v) Other Financial Asset	**12**	604.78	56.24
(vi) Loans	**13**	4,990.92	5,028.07
(vii) Others		-	-
(c) Current Tax Asset (Net)		-	-
(d) Other current Asset	**14**	924.53	646.32
Total Assets		**34,993.42**	**17,255.12**
(II) EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	**15**	974.85	840.00
(b) Other Equity	**16**	18,323.10	7,151.63
Liabilities			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**17**	6.04	8.14
(i a) Lease Liabilities	**18**	13.55	-
(ii) Trade Payable			
- Total Outstanding dues of MSMEs		-	-
- Total Outstanding Dues of Other Than MSMEs		-	-
(iii) Other Financial Liabilities			
(b) Provisions	**19**	21.00	-
(c) Deferred Tax Liabilities (Net)	**20**	-	-
(d) Other Non-Current Liabilities		-	-

(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	**21**	2,148.98	649.27
(i a) Lease Liabilities	**22**	12.00	5.71
(ii) Trade Payable	**23**		
- Total Outstanding Dues of MSMEs		3,285.59	2,876.43
- Total Outstanding Dues of Other Than MSMEs		7,706.42	4,138.38
(iii) Other Financial Liabilities	**24**	51.49	-
(b) Other Current Liabilities	**25**	814.81	690.09
(c) Provisions	**26**	1,635.60	895.48
(d) Current Tax Liabilities		-	-
Total Equity and Liabilities		**34,993.42**	**17,255.12**
Significant accounting policies	**3**		

See accompanying notes to standalone financial statements

As per our report of even date,

For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Sd/-
Jaydip Joshi
Partner
Membership No.170300

Place : Mumbai
Date: 29th May, 2026

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

Sd/-
Shrikant Bhangdiya
Managing Director
DIN: 02628216

Sd/-
Sonal Bhangdiya
Director
DIN: 03416775

Sd/-
Anil Khawale
Chief Financial Officer

Sd/-
Shalinee Singh
Company Secretary

Place : Mumbai
Date: 29th May, 2026

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2026

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2026	For the year ended 31st March, 2025
I	Revenue From Operations	**27**	23,250.41	15,728.42
II	Other Income	**28**	259.18	312.30
III	**Total Income (I+II)**		**23,509.59**	**16,040.73**
IV	**EXPENSES**			
	Cost of material consumed	**29**	8,500.39	5,707.28
	Change in inventory	**30**	(106.04)	(4.86)
	Employee benefits expense	**31**	505.11	437.20
	Finance cost	**32**	259.57	102.94
	Depreciation and Amortization Expense	**4a & 4b**	33.48	65.51
	Power and Fuel Charges	**33**	401.07	1,477.15
	Machinery Hire Charges	**34**	2,433.13	1,309.40
	Sub Contract Charges	**35**	5,204.82	2,079.66
	Other expenses	**36**	3,007.04	2,482.32
	Total expenses (IV)		**20,238.56**	**13,656.60**
V	**Profit/(loss) before exceptional items and tax (I-IV)**		**3,271.03**	**2,384.12**
VI	Exceptional Items		-	-
VII	**Profit/(loss) before tax (V-VI)**		**3,271.03**	**2,384.12**
VIII	Tax expense:			
	(1) Current tax		996.71	1,069.87
	(2) Deferred tax		70.45	(238.83)
IX	**Profit (Loss) for the Year**		**2,203.87**	**1,553.08**

X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss (ii) Income tax relating to items that will not be reclassified to profit or loss		6.96	5.04
	B (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)**		**2,210.83**	**1,558.12**
XII	Earnings per equity share			
	(1) Basic		26.22	21.80
	(2) Diluted		26.22	21.80
	Significant accounting policies	**3**		

See accompanying notes to standalone financial statements

As per our report of even date,

For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Sd/-
Jaydip Joshi
Partner
Membership No.170300

Place : Mumbai
Date: 29th May, 2026

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

Sd/-
Shrikant Bhangdiya
Managing Director
DIN: 02628216

Sd/-
Sonal Bhangdiya
Director
DIN: 03416775

Sd/-
Anil Khawale
Chief Financial Officer

Sd/-
Shalinee Singh
Company Secretary

Place : Mumbai
Date: 29th May, 2026

STATEMENT OF CASH FLOW

For the year ended 31st March, 2026

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026		For the year ended 31st March, 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before Tax as per Profit and Loss Account		3,271.03		2,384.12
Adjusted for :				
Other comprehensive income	6.96		-	
Depreciation	33.48		65.51	
Share of profit from Investment in Firm	-		-	
Interest Exp	259.57		102.94	
Miscellaneous Receipts	-	300.01	(24.83)	143.63
Operating Profit Before Working Capital Changes		**3,571.04**		**2,527.75**
Adjusted for :				
Inventories	(106.04)		(4.86)	
Trade Receivable	(2719.59)		(8812.81)	
Other Current Asset	(278.21)		31.78	
Other Financial Asset	(548.54)		42.93	
Loans	37.15		234.05	
Current Tax Assets	70.45		(238.83)	
Trade Payable	3,977.21		4,973.83	

Other Current Liability	124.72		549.86	
Other Current Financial Liability	51.49		-	
Short Term Provision	740.12		478.12	
Short Term Borrowings	1,499.71		(676.75)	
Bank Balance other than cash and cash equivalent	(72.98)		-	
Provision for Gratuity	21.00		-	
Lease Liability	19.83		(4.68)	
Cash from Operating Activities		**2,816.30**		**(3427.35)**
Less: Taxes Paid		**(1067.16)**		**(831.04)**
Cash from Operating Activities		**5,320.18**		**(1730.65)**
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets & Capital WIP	(44.46)		(0.57)	
Proceeds from Sale of Investment in Firm	-		-	
Profit/Loss from Capital firm	-		-	
Increase in Value of Share	(6.96)		-	
Movement in Loans & Advances	-		-	
Investment in shares of Companies	(931.48)		-	
Investment in OCD of Companies	(6921.91)		-	
Net Cash used in Investing Activities		**(7904.79)**		**(0.57)**

C. CASH FLOW FROM FINANCING ACTIVITIES :				
Issuance of Equity Shares	134.85		816.00	
Increase in Security Premium Account	8,960.64		897.60	
Proceeds/ (Repayment) of Short Term Borrowing	-		-	
Long term Lease Liability	-		(5.71)	
Long Term Borrowing	(2.10)		(31.42)	
Interest Exp	(259.57)		(102.94)	
Net Cash used in Financing Activities		**8,833.82**		**1,573.53**
Net Increase/(Decrease) in Cash and Cash Equivalents :		**6,249.21**		**(157.69)**
Opening Balance of Cash & Cash Equivalents		4.79		162.47
Closing Balance of Cash & Cash Equivalent		**6,254.00**		**4.79**
Components of Closing Cash & Cash Equivalent				
BankBalances & Cash-on-Hand		6,254.00		4.79

As per our report of even date,

For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Sd/-
Jaydip Joshi
Partner
Membership No.170300

Place : Mumbai
Date: 29th May, 2026

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

Sd/-
Shrikant Bhangdiya
Managing Director
DIN: 02628216

Sd/-
Sonal Bhangdiya
Director
DIN: 03416775

Sd/-
Anil Khawale
Chief Financial Officer

Sd/-
Shalinee Singh
Company Secretary

Place : Mumbai
Date: 29th May, 2026

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2026

(₹ in Lakhs)

Particulars	Equity Share Capital	Other Equity						Total
		Reserves and Surplus				Equity Instruments through Other Comprehensive Income		
		Capital Reserve	Securities Premium Reserve	Other Reserves (specify	Retained Earnings			
Balance as at 31st March, 2024	**24.00**	-	-	-	**4,694.45**	**1.50**		**4,695.95**
Changes during the year	816.00	-	897.60		-	-		897.6
Comprehensive income (Net) for the year	-	-	-	-		5.04		5.04
Earlier year Provision	-	-	-	-	-	-		-
Profit / (Loss) for the year	-	-	-	-	1,553.04			1,553.04
Balance as at 31st March, 2025	**840.00**	-	**897.60**	-	**6,247.49**	**6.54**		**7,151.63**
Changes during the year	134.85	-	8,960.65		-	-		8,960.65
Comprehensive income (Net) for the year	-	-	-	-	-	6.96		6.96
Earlier year Provision	-	-	-	-	-	-		-
Profit / (Loss) for the year	-	-	-	-	2,203.87	-		2,203.87
Balance as at 31st March, 2026	**974.85**	-	**9,858.25**		**8,451.35**	**13.50**		**18,323.10**

As per our report of even date,

For Joshi & Shah
Chartered Accountants
FRN.- 144627W

Sd/-
Jaydip Joshi
Partner
Membership No.170300

Place : Mumbai
Date: 29th May, 2026

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

Sd/-
Shrikant Bhangdiya
Managing Director
DIN: 02628216

Sd/-
Sonal Bhangdiya
Director
DIN: 03416775

Sd/-
Shalinee Singh
Company Secretary

Sd/-
Anil Khawale
Chief Financial Officer

SEGMENT INFORMATION

For the year ended 31st March, 2026

(₹ in Lakhs)

Sr. No.	Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
1	**Segment Value of Sales and Services**		
	Engineering Segment	18,725.13	9,908.24
	Metal Sale (Stone Crusher) Segment	4,525.28	5,820.19
	Gross Value of Sales & Services	**23,250.41**	**15,728.43**
	Less: Inter Segment Transfer value of Sales and Services	-	-
	Less: GST Recovered	-	-
	Revenue from Operations	**23,250.41**	**15,728.43**
2	**Segment Results (EBDITA)**		
	Engineering Segment	7,585.49	2,551.74
	Metal Sale (Stone Crusher) Segment	(709.83)	1,849.85
	Total Segment Profit before Interest, Depreciation, Tax and Amortization	**6,875.66**	**4,401.59**
3	**Segment Results (EBIT)**		
	Engineering Segment	7,552.01	2,551.74
	Metal Sale (Stone Crusher) Segment	(709.83)	1,849.85
	Total Segment Profit before Interest and Tax	6,842.18	4,401.59
	(i) Finance cost	(188.45)	(73.98)
	(ii) Other Income	259.18	312.30
	(iii) Other Unallocable Expenses	(3641.89)	(2255.8)
	Profit Before Tax	**3,271.03**	**2,384.11**
	(i) Current Tax	996.71	1,069.87
	(ii) Deferred Tax	70.45	(238.83)
	Profit After Tax	**2,203.87**	**1,553.07**

4	**Segment Asset**		
	Engineering Segment	10,224.73	7,746.78
	Metal Sale (Stone Crusher) Segment	3,598.23	3,235.69
	Unallocable Assets	21,170.46	6,272.65
	Total Segment Asset	**34,993.42**	**17,255.12**
5	**Segment Liabilities**		
	Engineering Segment	6,797.71	3,756.02
	Metal Sale (Stone Crusher) Segment	1,911.57	2,249.99
	Unallocable Liabilities	6,983.65	3,262.02
	Total Segment Laibilities	**15,692.93**	**9,268.03**

Place : Mumbai
Date: 29th May, 2026

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2026

1. Reporting Entity

SOBHAGYA MERCANTILE LIMITED (the 'Company') is a company domiciled in India, with its registered office situated U.N.- 1916, 19th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai - 400013, Maharashtra, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on Bombay Stock Exchange (BSE) in India. The Company is primarily involved in Engineering Consultancy and Metal(Aggregate) Sales.

2. Basis of Preparation of Financial Statements

A. Statement of compliance

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

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

B. Functional and Presentation Currency

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

C. Basis of Measurement

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

Fair Value Measurement

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

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

1) In the principal market for the asset or liability, or

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

D. Use of Estimates and Judgments

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

Judgments

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2026 is included in the following notes:

Note 4 - useful life of property, plant and equipment

3. Significant Accounting Policies

a. Property, Plant and Equipment

i. Recognition and Measurement

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset Useful Life

Asset Category	Useful Life / Depreciation Period
Plant and equipment	7.5 - 15 years
Motor vehicles	8 years
Furniture and fixtures	10 years
Office equipment	5 years
Buildings	30 - 60 years
Leasehold land	Lease period
Freehold land	Not depreciated

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

iv. Capital work-in-progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

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

b. Impairment

i. Financial assets

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

ii. Non-Financial Assets

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

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

c. Leases

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

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

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

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

d. Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after providing for obsolescence, where appropriate. The comparison of cost and net realizable value is made on an item-by-item basis. The net realizable value of materials in process is determined with reference to the selling prices of related finished goods.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Finished goods and stock-in-trade are valued at the lower of net realizable value and cost, computed on a moving weighted average basis.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March 2026

e. Financial Instruments

i. Recognition and Initial Measurement

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

ii. Classification and Subsequent Measurement

Financial Assets

Financial assets carried at amortized cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial Liabilities

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

Investment in subsidiaries, joint venture and associates

Investment in equity shares in subsidiaries, joint venture and associates is carried at cost in the financial statements.

iii. Derecognition

Financial Assets

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

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

iv. Offsetting

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

f. Revenue Recognition

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

(i) Sale of goods and Services :

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

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

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

g. Income Tax

Income tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

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

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

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

h. Borrowing Costs

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

i. Provisions and Contingent Liabilities

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

j. Employee Benefits

The Company provides for gratuity and leave encashment benefits as post-employment defined benefits in accordance with Ind AS 19 - Employee Benefits. These obligations are recognized on an accrual basis up to March 31, 2026. The retirement benefits will be debited as and when paid.

k. Cash and Cash Equivalents

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

l. Earnings Per Share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

m. Cash Flow Statement

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

NOTES TO STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2026

n. Foreign Exchange Transactions

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

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

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

o. Material accounting judgements, Estimates and Assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures including disclosures of contingent assets and contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Key sources of estimation of uncertainty at the date of the financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in respect of:

- *recognition of deferred tax assets;*
- *measurement of defined benefit obligations: key actuarial assumptions;*
- *Financial instruments - Fair values, risk management and impairment of financial assets*
- *estimates of useful lives and residual value of Property, Plant and Equipment and Other Intangible Assets*
- *recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources, if any.*
- *impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;*

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 4a: Fixed Asset Schedule

(₹ in Lakhs)

Block No.	Description of Assets/Block of Assets	Rate (%)	GROSS BLOCK			DEPRECIATION				ADJUSTMENTS			NET BLOCK	
			As on 01.04.2025	Addtion/ Deduction	As on 31.03.2026	As on 01.04.2025	For The period	Adjustment for sale	As on 31.03.2026	Sale Amount	Profit (Loss)	Adjustment	As on 31.03.2026	As on 01.04.2025
I	**Property, Plant & Equipment**		**411.15**	**14.41**	**425.56**	**209.29**	**23.46**	**-**	**232.75**	**-**	**-**	**-**	**192.81**	**201.86**
A	**Plant & Machinery**		**198.75**	**12.01**	**210.76**	**144.81**	**12.94**	**-**	**157.75**	**-**	**-**	**-**	**53.01**	**53.95**
1	Conveyor Belts	22.09%	0.29	-	0.29	0.21	0.02	-	0.23	-	-	-	0.06	0.07
2	Crusher Herqlis Rock Breaker HQ	22.09%	9.50	-	9.50	7.01	0.55	-	7.56	-	-	-	1.94	2.49
3	Crusher Plant and paver	22.09%	71.27	-	71.27	53.08	4.02	-	57.10	-	-	-	14.17	18.19
4	Electrical Fitting & Installation	25.89%	33.28	2.36	35.64	26.33	2.10	-	28.42	-	-	-	7.21	6.95
5	Electrical Motors	25.89%	0.33	-	0.33	0.26	0.02	-	0.28	-	-	-	0.05	0.06
6	Tools and Equipments	45.07%	1.08	-	1.08	0.92	0.07	-	0.99	-	-	-	0.09	0.17
7	Weigh Bridge	22.09%	4.46	9.65	14.11	3.32	0.68	-	4.00	-	-	-	10.11	1.14
8	Paver and Roller	22.09%	75.00	-	75.00	51.79	5.13	-	56.92	-	-	-	18.08	23.21
9	Hydraulic roll cleaning broomer	22.09%	1.40	-	1.40	0.91	0.11	-	1.02	-	-	-	0.38	0.49
10	Pipe - Compressor FB	22.09%	0.88	-	0.88	0.58	0.07	-	0.65	-	-	-	0.23	0.30
11	Groove Cutter Machine	22.09%	0.85	-	0.85	0.37	0.11	-	0.48	-	-	-	0.37	0.48
12	Auto Level	22.09%	0.42	-	0.42	0.02	0.09	-	0.11	-	-	-	0.31	0.40

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

B	**Office Equipment**		**9.42**	**-**	**9.42**	**8.28**	**0.49**	**-**	**8.77**	**-**	**-**	**-**	**0.64**	**1.14**
1	CC TV Installation	45.07%	0.94	-	0.94	0.84	0.05	-	0.88	-	-	-	0.06	0.11
2	Invertor & Batteries	45.07%	0.86	-	0.86	0.82	-	-	0.82	-	-	-	0.04	0.04
3	Ac and Led TV	45.07%	7.61	-	7.61	6.63	0.44	-	7.07	-	-	-	0.54	0.99
C	**Vehicles**		**67.86**	**-**	**67.86**	**13.30**	**6.16**	**-**	**19.46**	**-**	**-**	**-**	**48.40**	**54.56**
1	Kia Car	11.88%	67.86	-	67.86	13.30	6.16	-	19.46	-	-	-	48.40	54.56
D	**Computer & Peripherals**		**5.13**	**2.12**	**7.25**	**4.60**	**1.48**	**-**	**6.08**	**-**	**-**	**-**	**1.17**	**0.53**
1	Computer	63.16%	5.13	2.12	7.25	4.60	1.48	-	6.08	-	-	-	1.17	0.53
E	**Intangible Asset under Development**		**88.15**	**-**	**88.15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**88.15**	**88.15**
1	Coal Mining Licence	0.00%	88.15	-	88.15	-	-	-	-	-	-	-	88.15	88.15
F	**Other Intangible Assets**		**41.85**	**0.28**	**42.13**	**38.30**	**2.38**	**-**	**40.68**	**-**	**-**	**-**	**1.45**	**3.55**
1	Software	63.16%	41.85	0.28	42.13	38.30	2.38	-	40.68	-	-	-	1.45	3.55
	Total		**411.15**	**14.41**	**425.56**	**209.29**	**23.46**	**-**	**232.75**	**-**	**-**	**-**	**192.81**	**201.86**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 4b: Leases

(i) Amount Recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	As at 31 March 2026 (Lakhs)	As at 31 March 2025 (Lakhs)
Right of use assets		
Land*	90.14	60.09
Building	-	-
Accumulated depreciation	65.10	55.09
Net	**25.04**	**5.01**
Lease Liabilities		
Current*	12.00	5.71
Non current	13.55	-
Total	**25.55**	**5.71**

***The Company has taken land on lease at Umred in Nagpur District to operate a stone crusher, which it is managing independently. The Company has recorded rights in the reclaimed Land at present value of future annual lease payments in the books and classified the same as lease hold land. On adoption of Ind AS 116 same has been classified as Right-to-Use Assets.*

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2026 (Lakhs)	As at 31 March 2025 (Lakhs)
Depreciation charge of right of use assets debited to Statement of Profit & Loss	10.02	10.02
Expenses relating to short term leases (included in other expenses)	1.79	-
Total	**11.80**	**10.02**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Notes Forming part of Balance Sheet for the year ended on 31st March 2026

Note 5: Non-Current Investments

(₹ in Lakhs)

Particulars	Face Value	As at March 31, 2026		As at March 31, 2025	
	(Rs.)	Quantity Nos.	Rs.	Quantity Nos.	Rs.
Other Investments		**4**			
Investment measured at fair value through other comprehensive income					
In Equity Shares - Quoted, Fully paid up					
Arvind Limited (Formerly Arvind Products Ltd.)	10	90	0.10	90	0.10
Arvind Fashions Ltd.	4	18	0.05	18	0.05
(Issued 1 share for 5 share of Arvind Ltd.)	-	-	-	-	-
Anveshan Heavy Engg Ltd (The Anup Engg. Ltd.)	10	3	0.02	3	0.02
(issued 1 share for 27 shares of Arvind Ltd.)	-	-	-	-	-
Arvind Smartspaces Limited	10	9	0.02	9	0.02
GSL Securities Limited	10	39,200	2.41	39,200	2.41
ICICI Bank Limited	2	55	0.41	55	0.41
Jai Prakash Associates Limited	2	7,500	0.62	7,500	0.62
BPCL	10	264	0.95	264	0.95
(Issued in lieu of 100 shares of Kochi Refinery Ltd.)	-	-	-	-	-
Orkay Industries Limited	10	550	-	550	-
Steel Authority of India Limited	10	5,500	5.42	5,500	5.42
Total Quoted Equity Shares	-	-	10.00	-	10.00
In Equity Shares - Unquoted, Fully paid up		-	-	-	-
Total Non-Current Investments			**10.00**		**10.00**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 5.1: Categry-wise Non-Current Investments

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Financial Assets Measured at Cost	-	-	-	-
Financial Assets Carried at Amortised cost	-	-	-	-
Financial Assets Measured at Fair Value Through	-	-	-	-
Other Comprehensive Income		24.84		17.88
Financial Assets Measured at Fair Value Through	-	-	-	-
Profit and Loss	-	-	-	-
Total Non-Current Investments		**24.84**		**17.88**

Note 6: Deffered Tax

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Deffered Tax Assets		172.59		243.04
Total		**172.59**		**243.04**

Note 6.a: Movement of Deferred Tax Asset

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Opening balance of Deferred Tax Asset		243.04		4.21
Net Deferred tax asset Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being deprecation loss unabsorbed during the year recognized.		-70.45		238.83
Net Balance(Deferred Tax Asset)		**172.59**		**243.04**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 7: Inventories (at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Metal Sale (Stone Crusher) Segment		120.34		98.29
Work in Progress (Construction)		180.86		96.87
Total		**301.20**		**195.15**

Note 8: Investments - Current

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Investments measured at Cost				
In Equity Shares of Associate Companies				
Un-Quoted, fully paid up				
Nag Ham 182 Highway Private Ltd of ₹10/- each		527.53	-	-
Nag Ham 183 Highway Private Ltd of ₹10/- each		403.95	-	-
In Optionally-Convertible Debentures of Associate Companies				
Un-Quoted, fully paid up				
Nag Ham 182 Highway Private Ltd of ₹10/- each		3,537.30	-	-
Nag Ham 183 Highway Private Ltd of ₹10/- each		2,621.16	-	-
Kitadi Torgoan Highway Private Ltd of ₹10/- each		763.45	-	-
Total		**7,853.39**		**-**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 9: Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Trade receivables (considered good)				
-Secured				
-Unsecured		13,443.71		10,724.12
Significant Credit risk impaired & Credit impaired		-		-
Total		**13,443.71**		**10,724.12**

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
(i) Undisputed Trade Receivables - Considered Goods				
Not Due				
Less than 6 month		13,279.28		9,917.93
6 month- 1 year		141.35	-	467.03
1 - 2 Years		11.61	-	179.10
2 -3 Years		11.47		160.06
More than 3 Years		-		-
Total		**13,443.71**	**-**	**10,724.12**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 10: Cash And Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Cash on Hand		0.69		1.45
Balance with Banks :				
RBL Ltd		0.25		0.25
Bank of Maharashtra		13.78		3.09
Union Bank of India		-		-
Bank of Baroda		6,239.28		-
Total		**6,254.00**		**4.79**

Note 11: Bank Balance other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Call Deposit Receipt		205.60		132.63
Total		**205.60**		**132.63**

Note 11.a: *The Call Deposit Receipts with Bank of Maharashtra is pledged with that bank for the purpose of Bank Guarantee given to Ministry of Coal for coal mine development and production agreement in respect of Marki Mangli IV Coal Mine.The Company has issued a Bank Guarantee amounting to 732.42 Lakhs.*

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 12: Other Financial Asset

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Advance to Related Parties		374.64		-
Other Loans and Advances		-		46.04
Interest Receivable		4.34		10.20
Misc. Current Asset		202.03		-
Security Deposit		23.77		-
Total		**604.78**		**56.24**

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

Note 13: Current Financial Asset-Loan

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Loan to Related Parties		4,990.92		5,028.07
Total		**4,990.92**		**5,028.07**

Type of Borrower	Amount of Loan	% of Total Loan	Amount of Loan	% of Total Loan
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	4,990.92	100.00%	5,028.07	100.00%
Total	**4,990.92**	**100.00%**	**5,028.07**	**100.00%**

Note 13.a: *Loan to Related Parties and Other Advances are unsecured considered good unless otherwise stated.*

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 14: Other Current Asset

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Advance To Suppliers		298.26		284.66
Receivables from Statutory Authorities		626.28		304.75
Misc. Current Asset		-		56.91
Total		**924.53**		**646.32**

Note 15: Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Quantity Nos.	Rs. In Lakhs	Quantity Nos.	Rs. In Lakhs
Authorised Share Capital				
Equity Shares of Rs. 10/- each	20,00,00,000	20,000	20,000,000	2,000.00
		20,000.00		2,000.00
Issued Capital :				
Equity Shares of Rs. 10/- each	9,748,500	974.85	8,400,000	840.00
		974.85		840.00
Subscribed And Fully Paid up Capital :				
Equity Shares of Rs. 10/- each	9,748,500	974.85	8,400,000	840.00
Subscribed But Not Fully Paid up Capital :				
Equity Shares of Rs. 10/- each			-	-
Total		**974.85**		**840.00**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 15.1: Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Shares outstanding at the beginning of the year	8,400,000	840	240,000	24.00
Add: Shares issued during the year	1,348,500	134.85	8,160,000	816.00
Less: Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	**97,48,500**	**974.85**	**8,400,000**	**840**

Note 15.2: Details of Calls Unpaid

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Equity Shares with voting rights				
- By Directors	-	-	-	-
- By Officers	-	-	-	-
- By Others	-	-	-	-
Total Unpaid Calls	**-**	**-**	**-**	**-**

Note 15.3: Terms/Rights attached to equity shares:

- *The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.*
- *During the year ended 31st March 2026, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (31st March 2025 Rs. Nil).*
- *During FY 2025-6, the company successfully issued and alloted **13,48,500/-** convertible warrants into equity shares having face value of Rs. 10/- each at a premium of **Rs. 664.49/-** per equity share on 11th March 2026 and 27th March 2026 on preferential basis. The total aggregate consideration received from said issuance of equity shares amounted to **Rs. 9095.50/- Lakhs**.*

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 15.4: Details of Equity Shareholders holding more than 5 % shares in the Company

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Manisha Maniyar	10,99,569	11.28	10,99,569	13.09
Shrikant Bhangdiya	19,01,643	19.51	19,02,143	22.64
Megha Bhangdiya	10,99,569	11.28	10,99,569	13.09
Aarti Bhangdiya	10,99,569	11.28	10,99,569	13.09
Sonal Bhangdiya	10,99,569	11.28	11,00,449	13.10
Legends Global Opportunities (Singapore) PTE. LTD	650,500	6.67	-	-

Note 15.5: Shareholding of Promoters and Promoters Entity

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Manisha Maniyar	10,99,569	11.28	10,99,569	13.09
Shrikant Bhangdiya	19,01,643	19.51	19,02,143	22.64
Megha Bhangdiya	10,99,569	11.28	10,99,569	13.09
Aarti Bhangdiya	10,99,569	11.28	10,99,569	13.09
Sonal Bhangdiya	10,99,569	11.28	11,00,449	13.10

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 16: Other Equities

(₹ in Lakhs)

16	OTHER EQUITIES	As at March 31, 2026	As at March 31, 2025
	Retained Earnings		
	As Per last Balance Sheet	6,247.48	4,694.44
	Add / (Less) : Earlier Year Provision	-	-
	Add / (Less) : Profit/(Loss) for the year	2203.87	1,553.04
		8,451.35	6,247.48
	Security Premium		
	As Per last Balance Sheet	897.60	-
	Add / (Less) : In the Current year	8,960.65	897.60
		9,858.25	897.60
	Balance at end of the reporting period (A)	18,309.59	7,145.08
	Equity instruments through other comprehensive income (FVTOCI Reserve)	17	-
	As Per last Balance Sheet	-	1.50
	Add / (Less) : Movement in OCI (Net) during the year	-3.90	5.04
	Balance at end of the reporting period (B)	13.50	6.54
	Total (A)+(B)	**18,323.10**	**7,151.63**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 17: Borrowings - Non-Current

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Term Loan - From Banks		-		-
Vehicle Loan		6.04		8.14
Total		**6.04**		**8.14**

Note 17.a: *Vehicle loan is obtained for purchase of Motor car from ICICI Bank Limited by first charge on corresponding vehicle financed. Vehicle loan is repayable in 36 equal installment with maturity date of July 2026 and rate of interest of 8.95 %.*

Note 18: Lease Liability

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Lease Liability		13.55		-
Total		**13.55**		**-**

Note 19: Proisions - Non-Current

(₹ in Lakhs)

Particulars	-		-	
Provision for Gratuity		21.00		-
Total		**21.00**		**-**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 20: Deferred Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Deferred tax Liability		-		-
Total		**-**		**-**

Note 20.a: Movement of Deferred Tax Liability

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Opening balance of Deferred Tax Liability(Net)		-		-
Net Deferred tax liability Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being deprecation loss unabsorbed during the year recognized.		-		-
Net Balance(Deferred Tax Liability)		**-**		**-**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 21: Borrowing - Current

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Unsecured Loans From:-				
Related Parties (Repayable on demand)		153.21		132.77
Cash Credit from Bank		1,495.77		456.66
GECL (MSME) - From Banks		-		36.79
Current Maturities of Loan term Debt		-		23.04
Loans And Advances from Others		500.00		-
Total		**2,148.98**		**649.27**

Note 21.a: *Working Capital Loan repayable on demand to be renewed annually and is secured in favour of Lending Bank by hypothecation of present and future stock of raw materials,work-in-progress, finished goods, stores and spares (not relating to plant and machinery),book debts, outstanding monies, receivables, claims, bills.*

Note 22: Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Current Portion of Lease Liability		12.00		5.71
Total		**12.00**		**5.71**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 23: Trade Payable

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
- Total Outstanding dues of MSMEs		3,285.59		2,876.43
- Total Outstanding Dues of Other Than MSMEs		7,706.42		4,138.38
Total		**10,992.01**		**7,014.80**

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Undisputed dues				
Not Due				
Less than 1 Year		8,559.06		6,154.08
1 - 2 Years		2,092.27		90.68
2 - 3 Years		14.02		415.73
More than 3 Years		326.66		354.32
Grand Total		**10,992.01**		**7,014.80**

Note 24: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Other Current Liabilities Financial		51.49		-
Total		**51.49**		**-**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 25: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Statutory Dues Payables		814.81		586.24
Other Payable		-		103.85
Total		**814.81**		**690.09**

Note 26: Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Provision for Taxation		1,629.40		867.90
Other Provisions		2.80		27.58
Provision for Audit fees		3.40		-
Total		**1,635.60**		**895.48**

Notes forming part of Profit and Loss Statement for period ended on 31st March, 2026

Note 27: Revenue From Operations

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Revenue from Engineering Consultancy		15,921.79		8,431.40
Metal Sale		4,525.28		5,820.19
Machinaries Hire Receipt		2,403.77		767.50
Bitumen Sale		334.23		633.15
Ldo (Fuel Oil) - Sale		65.34		76.19
Total		**23,250.41**		**15,728.42**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 28: Other Income

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Misc. Receipt		259.18		312.30
Total		**259.18**		**312.30**

Note 29: Cost of Material Consumed

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Cost of Material Purchased		8,500.39		5,707.28
Total		**8,500.39**		**5,707.28**

Note 30: Change in Inventory

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Opening Stock		195.15		190.29
Closing Stock		301.20		195.15
Total		**(106.04)**		**(4.86)**

Note 31: Employee Benefit Expense

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Salaries and Wages		502.11		419.20
Gratuity Expense		3.00		18.00
Total		**505.11**		**437.20**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 32: Finance Cost

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Interest on Loan		87.82		69.66
Interest on Statutory Due		98.84		2.70
Other Interest		1.79		1.61
Bank Charges		71.12		28.96
Total		**259.57**		**102.94**

Note 33: Power and Fuel

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Power and fuel		401.07		1,477.15
Total		**401.07**		**1,477.15**

Note 34: Machinery Hire Charges

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Machinery Hire Charges		2,433.13		1,309.40
Total		**2,433.13**		**1,309.40**

Note 35: Sub Contract Charges

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Sub Contract Charges		5,204.82		2,079.66
Total		**5,204.82**		**2,079.66**

NOTES TO FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 36: Other Expenses

(₹ in Lakhs)

Particulars	As of 31st March, 2026		As of 31st March, 2025	
Consultancy Charges for DP, Survey & Mapping		-		35.53
Crusher Handling Expenses		621.21		872.52
Crusher Site Expenses		683.97		293.10
Drilling & Blasting Charges		-		-
Royalty Expenses		-		-
Transportation Expense		1,097.01		958.71
Repairs and Maintenance		-		45.68
Professional and Legal Charges		-		20.10
Other Misc. Exp		601.46		253.89
Payments to Auditors :-				
For Statutory Audit		3.40		2.80
For Other Services		-		-
Total		**3,007.04**		**2,482.32**

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 37: Contingent Liabilities Not Provided For

Particulars	31st March, 2026	31st March, 2025
A. Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
B. Claims against company not acknowledge as debt	Nil	Nil
C. Outstanding liabilities as per Income Tax Act, 1962	362.02	42.55
D. Bank Guarantees	732.42	884.17

As on the date of reporting, the Company has an outstanding interest demand of ₹58.83 lakhs pertaining to AY 2024-25, arising pursuant to the assessment/intimation processed under Section 143(1) of the Income-tax Act, 1961. Further, for AY 2025-26, an income tax demand of ₹283.19 lakhs has been raised along with interest of ₹19.99 lakhs thereon. The Company has filed a rectification application under Section 154 of the Income-tax Act, 1961, seeking correction of the demand for AY 2025-26, vide Reference No. 363749940120826 dated 12/08/2026. Accordingly, the total outstanding demand, including interest, amounts to ₹362.01 lakhs as on the date of reporting, subject to the outcome of the aforesaid rectification application.

The Company has issued a Bank Guarantee amounting to 732.42 Lakhs in favor of the Nominated Authority, Ministry of Coal, in compliance with the applicable terms and conditions of the coal block allocation.

Note 38: Foreign Exchange earnings and out-go is Rs. NIL (P.Y. NIL) NIL

Note 39: Segment Information for the period ended on 31st Mar 2026

	Particulars	31st March, 2026	31st March, 2025
1	**Segment Value of Sales and Services**		
	Engineering Consultancy Segment	18,725.13	9,908.24
	Metal Sale (Stone Crusher) Segment	4,525.28	5,820.19
	Gross Value of Sales & services	23,250.41	15,728.43
	Less: Inter Segment Transfer value of Sales and Services	-	-
	Less: GST Recovered	-	-
	Revenue from operations	**23,250.41**	**15,728.43**
2	**Segment Results (EBDITA)**		
	Engineering Consultancy Segment	7,585.49	2,551.74
	Metal Sale (Stone Crusher) Segment	(709.83)	1,849.85
	Total Segment Profit before Interest, Depreciation, Tax and Amortization	**6,875.66**	**4,401.59**

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

	Particulars	31st March, 2026	31st March, 2025
3	**Segment Results (EBIT)**		
	Engineering Consultancy Segment	7,552.01	2,551.74
	Metal Sale (Stone Crusher) Segment	(709.83)	1,849.85
	Total Segment Profit before Interest and Tax	**6,842.18**	**4,401.59**
	(i) Finance cost	(188.45)	(73.98)
	(ii) Other Income	259.18	312.30
	(iii) Other Unallocable Expenses	(3641.89)	(2255.80)
	Profit Before Tax	**3,271.02**	**2,384.11**
	(i) Current Tax	996.71	1,069.87
	(ii) Deferred Tax	70.45	(238.83)
	Profit After Tax	**2,203.87**	**1,553.07**
4	**Segment Asset**		
	Engineering Consultancy Segment	10,224.73	7,746.78
	Metal Sale (Stone Crusher) Segment	3,598.23	3,235.69
	Unallocable Assets	21,170.46	6,272.65
	Total Segment Asset	**34,993.42**	**17,255.12**
5	**Segment Liabilities**		
	Engineering Consultancy Segment	6,797.71	3,756.02
	Metal Sale (Stone Crusher) Segment	1,911.57	2,249.99
	Unallocable Liabilities	6,983.65	3,262.02
	Total Segment Liabilities	**15,692.93**	**9,268.03**

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 40: Disclosure requirements as per Indian Accounting Standard "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

List of Related Parties:	
Related party in which directors are interested	
MKS Constro-Venture Pvt Ltd.	
Bramhapuri Dhanora Highway Pvt Ltd.	**Key Managerial Personnel**
Chimur Petgaon Highway Pvt Ltd.	Shrikant Bhangdiya - **Managing Director**
MKS Acme Build Pvt. Ltd.	Sonal Bhangdiya - **Director**
MKS Flexituff Ltd.	
MKS Industries.	**Relatives of Key Managerial Personnel**
Shankarpur Chimur Highway Pvt Ltd.	Aarti Bhangdiya - Wife of Managing Director, Mr. Shrikant Bhangdiya
Shanta Infraventure.	Kirti Kumar Bhangdiya - Brother of Managing Director, Mr. Shrikant Bhangdiya
B. K. Buildcon.	Mitesh G Bhangdiya - Father of Managing Director, Mr. Shrikant Bhangdiya
HPS Construction.	
R.B. Infra.	**Directors are Trustees in the Trust**
Nag Ham 182 Highway Pvt Ltd.	**Bhangdiya Foundation**
Idc-Mahendra Jv.	
Nag Ham 183 Highway Pvt Ltd.	

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Name of the Party	Nature of transaction	31st March, 2026	31st March, 2025
1. Mr. Shrikant Bhangdiya	Managerial Remuneration	60.00	60.00
2. Mrs. Sonal Kirtikumar Bhangdiya	Managerial Remuneration	12.00	12.00
3. MKS Constro-Venture Private Limited	1.Sales	21,525.30	14,291.96
	2.Loan		
	- Given	488.24	716.42
	- Repayment received	327.60	789.14
4. MKS Flexituff Limited	Purchase of Service	9.86	0.21
	Advance		
	-Repaid	1.03	-
5. BK Buildcon	Sales	-	194.24
6. RB Infra	Purchase	352.46	628.74
	Sales	171.68	445.68
7. Bhangdiya Foundation	CSR Donation made	27.00	2.90
8. Shrikant Bhangdiya	Loan		
	-Given	0	105.00
	-Repayment received	19.44	42.00
9. Sonal Bhangdiya	Loan		
	-Given	-	
	-Repayment received	26.64	-
10. Kirtikumar Bhangdiya	Lease Payment	19.20	4.80

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

11. Chimur Petgaon Highway Private Limited	Loan			16/5/2025
	-Given	46.56	42.02	
	-Repayment received	4.66	4.20	
12. Shankarpur Chimur Highway Private Limited	Loan			16/5/2025
	-Given	86.51	126.34	
	-Repayment received	8.65	595.63	
13. Mitcon Infraproject Private Limited	Loan			16/5/2025
	Given	-	139.25	
	-Repayment received	0.42	120.95	
14. IDC-Mahendra Jv	Sales	-	30.18	16/5/2025
15. MKS Multimedia Private Limited	Purchase of Service	430.11	347.20	16/5/2025
16. Nag Ham 182 Highway Private Limited	Investment in SHARE & Debentures	4064.83	-	5/1/2026
17. Nag Ham 183 Highway Private Limited	Investment in SHARE & Debentures	3025.11	-	5/1/2026
18. Bramhapuri Dhanora Highway Pvt Ltd	Loan	-	-	
	-Given	120.96	110.06	
	-Repayment received	12.10	11.00	

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Balance of related party for the year ended 31st March 2026

(₹ in Lakhs)

Related Party	Closing Balance as on 31st March, 2026	Closing Balance as on 31st March, 2025
Balance at the End of the Year		
1. Related party in which directors are interested	**16,892.66**	**15,196.61**
Loans	4,990.92	5,028.07
Advances	374.64	-
Trade Receivables	11,478.16	9,832.56
Trade Payable	-	306.99
Borrowing	48.94	29.00
2. Key Managerial Personnel	**25.36**	**140.68**
Advances	25.36	115.00
Salary Payable	-	25.68
3. Relatives of Directors or Directors in a company	**12.00**	**7.20**
Kirtikumar Bhangdiya (Lease Liability)	12.00	7.20
4. Directors are Trustees in the Trust		

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 41: Financial Instruments

Financial Risk Management Objective and Policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 2.

Financial Instruments - Fair values and Risk Management

Particulars	31st March, 2026		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
(i) Investments – Non current	-	24.84	-
(ii) Trade Receivables	-	-	13,443.71
(iii) Cash and cash equivalents	-	-	6,254.00
(iv) Bank Balance other than (iii)	-	-	205.60
(v) Other Financial Asset	-	-	604.78
(vi) Loans	-	-	4,990.92
(vii) Others	-	-	-
Financial Liabilities			
(i) Borrowings	-	-	2,155.02
(ii) Trade Payable	-	-	10,992.01
(iii) Other Financial Liabilities	-	-	12.00

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Particulars	31st March, 2025		
	FVTPL	FVTOCI	Carrying Amount
Financial Assets			
(i) Investments – Non current	-	17.88	-
(ii) Trade Receivables	-	-	10,724.12
(iii) Cash and cash equivalents	-	-	4.79
(iv) Bank Balance other than (iii)	-	-	132.63
(v) Other Financial Asset	-	-	56.24
(vi) Loans	-	-	5,028.07
(vii) Others	-	-	-
Financial Liabilities			
(i) Borrowings	-	-	657.41
(ii) Trade Payable	-	-	7,014.80
(iii) Other Financial Liabilities	-	-	5.71

Note 42: Financial Risk Management Objectives and Policies

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

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 15 offset by cash and bank balances) and total equity of the Company.

The Company is subject to externally imposed capital requirements.

Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Particulars	As at March 31, 2026	As at March 31, 2025
Debt (i)	2,155.02	657.41
Cash and Bank Balance	-6,459.61	(137.42)
Net Debt	**-4,304.59**	**519.99**
Total Equity	**19,297.94**	**7,991.63**
Net debt to equity ratio	**-22.31%**	**6.51%**

(i) Debt is defined as long-term and short-term borrowings, as described in note 16 & 19.

Market Risk

The Company's activities expose it primarily to the financial risk of changes in interest rates.

Foreign Currency RiskManagement

The Company does not undertakes any transactions denominated in foreign currencies; consequently there is no exposures to exchange rate fluctuations.

Equity Risk

The company is exposed to equity risk due to its investments in listed shares. Any adverse market movement may lead to a decline in the value of these investments. This could impact the company's financial performance and net worth.

Interest Risk

The company is exposed to interest rate risk on its cash credit facility from the bank. Since the borrowing carries a floating interest rate, any increase in market rates may raise the company's finance cost. This could adversely affect its profitability and cash flows.

Particulars	As at March 31, 2026	As at March 31, 2025
Long term variable interest rate borrowings	-	-
Short term variable interest rate borrowings	1,495.77	456.66
Derivative to hedge interest rate risk - interest rate swap	-	-
Net Exposure	**-1,495.77**	**-456.66**

If the interest rate decreases/(increases) by 50 basis points, the interest expense would decrease by ₹7.48 lakh (increase by ₹7.48 lakh) as at 31 March 2026.

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company. The Company uses its own transaction records to evaluate the credit worthiness of its customers. The Company's exposure are continuously monitored and the aggregate value of transactions concluded are spread amongst approved counter parties (refer note 8 - Trade Receivables).

Financial Guarantees/Performance Guarantees

The Company has furnished a Performance Guarantee in favor of the Nominated Authority, Ministry of Coal, as a commitment to fulfill its obligations under the coal mine allocation agreement. This guarantee ensures that the Company will achieve the specified development milestones, maintain production timelines, and comply with the performance criteria stipulated by the Ministry.

Liquidity Risk Management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as and when required.

Ultimate responsibility for liquidity risk management rests with the Board of Directors which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows any by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within one year. The contractual maturity of non current liabilities are disclosed in note no. 19 to 24.

Liquidity Risk Table

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at 31 March 2026					
Borrowings (including interest)	1,501.81	-	-	1,501.81	1,501.81
Other financial liabilities at amortised cost	12.00	-	-	12.00	12.00
Other non current financial liabilities at fair value	-	-	-	-	-
	1,513.81	-	-	1,513.81	1,513.81

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

As at 31 March 2025					
Borrowings (including interest)	522.79	8.30	-	531.09	487.84
Other financial liabilities at amortised cost	5.71	-	-	5.71	5.71
Other non current financial liabilities at fair value	-	-	-	-	-
	528.51	8.30	-	536.81	493.56

Note 43: Deferred Taxes on Income

The company is entitled to create deferred tax asset/ liability in the books of A/cs with respect to timing difference of carried forward business and depreciation losses as well as depreciation.

Particulars	For the Year ended 31st March, 2026	For the Year ended 31st March, 2025
Tax reconciliations		
A Tax expense from continuing operations		
Current tax		
- Current period	996.71	1,069.87
- Changes in estimates related to prior years	(186.29)	(213.64)
Deferred tax	70.45	(238.83)
Total	**880.86**	**617.40**
Effective tax rate reconciliation		
Profit before tax	3,271.03	2,384.12
Company's domestic tax rate:	25.168%	25.168%
Tax using the Company's domestic tax rate	823.25	600.04
Adjustment in respect of current income tax of prior years	-	-

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Effect of:		
Non-deductible expenses	359.67	469.8
Change in other Miscellaneous items	-	-
Deduction Allowable	(186.29)	(213.60)
Deferred tax	70.45	(238.83)
Total	**1,067.08**	**617.40**

Particulars	March 31, 2026	March 31, 2025
Opening balance of Deferred Tax Asset(Net)	243.04	4.21
Net Deferred tax Recognized during the reporting period of difference in depreciation in block of fixed assets as per tax books and financial books, net of Deferred Tax being deprecation loss unabsorbed during the year recognized.	-70.45	238.83
Net Balance (Deferred Tax Asset)	**172.59**	**243.04**

Note 44: Disclosure As per IND-AS 116

a. Right to use Assets

The right to use asset for lease assets is recognized as under :-

Particular	March 31, 2026	March 31, 2025
a. Gross Carrying Amount		
Opening/Recognized	60.09	60.09
Additions/Disposals	30.05	-
Balance as at the Year End	90.14	60.09
b. Accumulated Depreciation		
Opening	55.09	45.07
Depreciation for the year	10.02	10.02
Balance as at the Year End	65.10	55.09
c. Net carrying Amount as at the Year End	**25.04**	**5.01**

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

b. Lease Liability

Particular	March 31, 2026	March 31, 2025
a. Maturity Analysis – Contractual undiscounted Cash Flows		
Less than one year	12.00	6.00
One to five years	13.55	-
Total Undiscounted Liabilities	**25.55**	**6.00**
b. Lease Liability included in The Financial Statements		
Current	12.00	5.71
Non – Current	13.55	-
Total	**25.55**	**5.71**

c. Amount Recognized in Profit and Loss Account

Particular	March 31, 2026	March 31, 2025
Interest on Lease Liability	1.79	1.61

Note 45:

In the absence of confirmation from some of the parties and pending reconciliation the debit and credit balances with regard to recoverable and payable have been taken as reflected in the books. In the opinion of the Directors, Loans and Advances and Current Assets, if realized in the ordinary course of business, have the value at which they are stated in the Balance Sheet.

Note 46:

As per Accounting Standard 20 "Earning Per Share'' issued by Institute of Chartered Accountant of India the Company gives following disclosure for the year.

Basic & Diluted Earning per shares

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Net Profit Attributable to Shareholders	2,210.83	1,558.12
Weighted average number of equity shares	8,431,623	7,148,055
Nominal Value per share	10.00	10.00
Earning per share	26.22	21.80

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 47:

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

Note 48:

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Particulars	March 31, 2026	March 31, 2025
(a) Amount remaining unpaid to any supplier at the end of each accounting year: Principal & Interest	Principal: 3285.59 Interest: Nil	Principal: 2876.39 Interest: Nil
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	0	0
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	0	0
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0	0
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0	0

Note 49:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April, 2021.

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 50: Ratios

Particular (Formula)	March 31, 2026	March 31, 2025	Variance
a) Current Ratio (Current Asset/ Current Liabiity)	2.21	1.81	0.22
b) Debt Equity ratio (TotalDebt/ Shareholders Equity)	0.11	0.08	0.36
c) Debt Service Coverage Ratio (Earnings before Interest, Tax, Depreciation & Amortisation/Interest and Principal Repayment)	54.79	8.66	5.33
d) Return on Equity (Profit After Tax / Average Shareholders Equity)	0.35	0.33	0.07
e) Inventory Turnover Ratio (Revenue from Operation / Average Inventory)	93.69	81.61	0.15
f) Trade Receivable Turnover Ratio (Revenue from Operations / Average Trade Receivables)	1.92	2.49	-0.23
g) Trade Payable Turnover Ratio(Total purchases / Average Trade Payables)	1.44	2.13	-0.33
h) Net Capital Turnover Ratio (Revenue from Operations / Net Working Capital)	1.23	2.09	-0.41
i) Net Profit Ratio (Profit After Tax / Revenue from Operations)	0.10	0.10	-0.04
j) Return on Capital Employed (Profit before tax and Interest / Capital Employed)	0.44	0.52	-0.16

Explanation Of Variances

1. Current Ratio has increased primarily due to a rise in current assets combined with a slower/lower increase in current liabilities, improving short-term liquidity.
2. Debt Equity Ratio has increased primarily due to a rise in total debt, outpacing the growth in shareholders' equity.
3. Debt Service Coverage Ratio has increased significantly primarily due to a sharp rise in earnings (EBITDA).
4. Return on Equity has increased marginally primarily due to higher profit after tax, broadly in line with the growth in average shareholders' equity.
5. Inventory Turnover Ratio has increased primarily due to higher revenue from operations combined with efficient inventory management, resulting in faster inventory movement.
6. Trade Receivable Turnover Ratio has decreased primarily due to an increase in average trade receivables, indicating slower collection from customers relative to revenue growth.
7. Trade Payable Turnover Ratio has decreased primarily due to an increase in average trade payables, indicating the company is taking longer to settle its suppliers.
8. Net Capital Turnover Ratio has decreased primarily due to a higher increase in net working capital relative to the growth in revenue from operations.
9. Return on Capital Employed has decreased primarily due to a decline in profit before interest and tax (PBIT) relative to the capital employed base.

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 51: Disclosure Under Section 135 of the Companies Act: CSR

Particulars	Amount In lakhs
Amount required to be spent during the year	35.98
Amount of expenditure incurred	27.00
Unspent CSR Amount at the end of the year	8.98
Total of previous years Unspent CSR Amount	6.77
Reason for shortfall	Certain identified CSR initiatives faced operational or implementation challenges, resulting in partial utilization of the allocated amount.
Nature of CSR activities for Financial Year	Art & Cultural Promotion, Girl Child Birth Promotion, Women Empowerment Programme
Details of related party transactions; contribution to trust controlled by company as per AS	Bhangdiya Foundation

Where a provision is made w.r.t. liability incurred, the movement in provision during the year should be shown separately.

Note 52: Income Tax Expense

The Tax Expenses for the for the year ended 31st March, 2026 includes the tax amount related to the current year only.

OTHER NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March, 2026

Note 53: Additional Notes As Per Schedule III

Additional Regulatory Information as required by paragraph 2 of the General instruction for preparation of CFS as per Schedule III to the Companies Act, 2013.

1. No proceedings have been initiated or pending against the Company for holding any Benami Property under Prohibitions of Benami Transactions Act, 1988 (Earlier titled as Benami Transactions (Prohibitions) Act, 1988.

2. The Company has borrowings from Banks or Financial Institutions on the basis of Fixed Deposits in India. However, no quarterly return or statement is required to be filed with the bank or Financial Institution. In case of foreign Joint Venture, borrowing is secured by current Assets but no quarterly return is prescribed thereat.

3. The Company has not been declared as wilful defaulter.

4. The Company has no transaction with Companies which are struck off under section 248 of the Companies Act, 2013 or under section 530 of Companies Act, 1956.

5. No charges are pending for registration or satisfaction with the Registrar of Companies (ROC).

6. The Company is in compliance with the no. of layers as prescribed under clause (87) of section 2 of The Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.

7. During the year, no Scheme of Arrangement has been formulated by the Company/pending with competent authority.

8. The Company does not have transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961.

9. The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.

10. The company has not revalued Property, Plant and Equipment during the year.

11. The Company has not advanced or loaned or invested funds, with any understanding, to any other person(s) or entity(ies), including foreign entities (Intermediaries) that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

12. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

SML

SOBHAGYA MERCANTILE LIMITED

ANNUAL REPORT

2025-26

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