

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

Regd. Office: ROOM NO. 4, ANNA BHUVAN, 3RD FLOOR, 87C DEVJI RATANSI MARG, DANA BUNDER, MUMBAI, (Maharashtra)
400009, Phone: 022 23486740, Email: sarthakindustries@yahoo.in, website: www.sarthakindustries.com

Date: 09.10.2017

To,
The Manager
Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

Sub: Submission of Annual Report 2016-17 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,


Please find enclosed herewith the Annual Report 2016-17 of the Company. The same has been approved and adopted by members of the Company in the 33rd Annual General Meeting held on 26th September, 2017.

You are requested to take the same on your records and oblige.

Thanking you,

Yours sincerely,

For Sarthak Industries Limited


Amit Jain
Company Secretary



SARTHAK INDUSTRIES LIMITED

**33rd Annual Report
2016-17**

CIN	: L99999MH1982PLC136834
BOARD OF DIRECTORS	: Mr. Yogender Mohan Sharma Whole-time Director Mr. Udesb Dassani Independent Director Mr. Vijay Rathi Independent Director Mr. Sartajsing Chhabra Non-Executive Director Ms. Deepika Arora Non-Executive Director
COMPANY SECRETARY	: CS Amit Jain
CHIEF FINANCIAL OFFICER	: CA Kailash Kumar Agarwal
BANKERS	: Punjab National Bank IDBI Bank Ltd.
REGISTERED OFFICE	: Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH) Phone: 022-23486740 Email Id: sarthakindustries@yahoo.in Website: www.sarthakindustries.com
CORPORATE OFFICE	: 214, Trade Centre, South Tukoganj, Indore-452001(M.P.) Phone: 0731-2527949
WORKS	: LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.) Phone: 07292-296766
STATUTORY AUDITORS	: M/s Ashok Khasgiwala & Co., Chartered Accountants 702, Shekhar Central, Palasia Square, A.B. Road, Indore-452001(M.P.)
COST AUDITORS	: M/s. A. GOYAL AND CO., Cost Accountants
SECRETARIAL AUDITORS	: M/s Ajit Jain & Co., Company Secretaries
REGISTRAR & SHARE TRANSFER AGENT	: M/s Sarhak Global Limited 170/10, Film Colony, R.N.T. Marg, Indore-452001 (M.P.), Phone: 0731-4279626 Email: sgl@sarthakglobal.com
STOCK EXCHANGE LISTING	: The Bombay Stock Exchange Ltd.

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of **Sarthak Industries Limited** will be held at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400009 on Tuesday, the 26th September, 2017 at 12.30 p.m. to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider, approve and adopt the standalone financial statements and the consolidated financial statements of the Company for the financial year ended 31st March, 2017 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sartajsing Chhabra Pritamsing (DIN: 05342507) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s Atishay & Associates, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number 020120C, be and are hereby appointed as Statutory Auditors of the Company (in place of Ashok Khasgiwala & Co., Chartered Accountants, the retiring Auditors) for a term of 5 (five) consecutive years from the conclusion of this 33rd Annual General Meeting of the Company till the conclusion of the 38th Annual General Meeting (subject to ratification of their appointment by the Members at every Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

SPECIAL BUSINESSES

4. 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 all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such Orders, Rules, Notifications, as may be promulgated by the appropriate authorities in this regard, the remuneration of Rs. 20,000/- (Rs. Twenty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2018 as approved by the Board of Directors of the Company, payable to M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308) for conducting the audit of the cost records of the Company be and is hereby ratified and confirmed.”

5. To approve the expenses for service of documents to members and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge from a member fee in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such member for delivery of such document to him/ her through such mode of service provided that such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to estimate the actual expenses and intimate the member for payment of appropriate fee in advance.

RESOLVED FURTHER THAT Mr. Yogender Mohan Sharma, Whole-time Director (DIN: 03644480) Ms. Deepika Arora, Director (DIN: 07117491) and Mr. Amit Jain, Company Secretary 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 above resolution.”

By order of the Board of Directors

Place: Indore
Dated: 28th August, 2017

AMIT JAIN
COMPANY SECRETARY

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **A PERSON SHALL ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3. Register of Members and Share Transfer Books of the Company will remain closed from **19th September, 2017 to 26th September, 2017** (both days inclusive).

4. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) in respect of item no. 4 and 5 of the notice set out above, is annexed hereto.
5. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.
6. Members are requested to:
 - a. Complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
 - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - c. Send their questions at least 10 days in advance of the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
9. The Notice of Annual General Meeting and Annual Report of the Company for the year 2016-17, circulated to the Members of the Company, is available on the Company’s website viz. www.sarthakindustries.com.

10. Remote E-Voting

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 read with the relevant Rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on Saturday, 23rd September, 2017 at 9.00 a.m. and ends on Monday, 25th September, 2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 19th September, 2017 i.e. cut-off date (record date), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first letter of their name and the 9 digits of the sequence number (which is printed on address sticker), in the PAN field. In case the sequence number is less than 9 digits enter the applicable number of 0's before the number after the first character of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter R000000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "SARTHAK INDUSTRIES LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from google playstore. Iphone and Windows phone users can download the app from the App store and Windows phone store respectively. Please follow the Instructions as prompted by the mobile app while voting on your mobile
- (xx) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (II) (a) Mr. L. N. Joshi, FCS 5201, Practicing Company Secretary (CP No 4216) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
(b) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
11. Voting is provided to the members through remote e-voting and at the annual general meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
12. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
13. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.
14. At the meeting, after all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.

15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sarthakindustries.com not later than 48 hours of conclusion of the Annual General Meeting of the Company and will be communicated to the Stock Exchange(s).
16. A route map and prominent land mark for easy location to the venue of AGM is attached to this Notice.

By order of the Board of Directors

Place: Indore
Dated: 28th August, 2017

AMIT JAIN
COMPANY SECRETARY

ANNEXURE TO THE NOTICE**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No. 4:**

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

The Board recommends the Ordinary Resolution at Item No. 4 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 4 of the Notice.

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to subsection (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which shareholder shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 24th July, 2017 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

The Board recommends the Ordinary Resolution at Item No. 5 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 5 of the Notice.

By order of the Board of Directors

Place: Indore

Dated: 28th August, 2017

AMIT JAIN
COMPANY SECRETARY

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION 2015 AND SECRETARIAL STANDARD OF GENERAL MEETING:

Name of Director	MR. SARTAJ SING CHHABRA (DIN: 05342507)
Date of Birth	24.06.1969
Age	48 years
Date of first appointment	30.08.2012
Expertise / Experience in specific functional areas	He is having vast experience in the field of Mines and Minerals.
Qualification	B.Com.
Terms and Conditions of Appointment/ Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting held on 29 th September, 2012.
Remuneration last drawn (Sitting fee during 2016-17)	Rs. 8,000
Remuneration proposed to be paid	As per existing terms and conditions
No. & % of Equity Shares held in the Company (as on 31.03.2017).	Nil
Directorship in other Companies (As on 31.03.2017)	<ol style="list-style-type: none"> 1. Anik Renewable Energy Private Limited 2. Navaagat Multitrade Private Limited 3. Nebula Multitrade Private Limited 4. Anik Ferro-Alloys Private Limited 5. Suman Agritech Limited 6. Rewa Leisure Private Limited 7. Pushpal Exports Private Limited 8. Alison Tradelinks Pvt. Ltd. 9. Mahakosh Amusement Private Limited 10. Yatish Impex Private Limited 11. Nirbhay Multitrade Pvt. Ltd. 12. Avantika Farms Private Limited 13. Deepti Properties Pvt. Ltd. 14. Neva Steels & Ferro-Alloys Pvt. Ltd. 15. Vishal Resorts and Hotels Pvt. Ltd. 16. Keval India Limited
Number of Meetings of the Board attended during the year.	6 out of 10
Chairman / Member of the Committees of the	Member of Stakeholders' Committee of

Board Directors of other Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Keval India Ltd. Chairman of Audit Committee of Keval India Ltd., Vishal Resorts & Hotels Pvt. Ltd. and Suman Agritech Ltd.
Relationship between directors inter-se.	Nil

By order of the Board of Directors

Place: Indore

Dated: 28th August, 2017

AMIT JAIN
COMPANY SECRETARY

Sarthak Industries Ltd.

CIN: L99999MH1982PLC136834

Regd. Office: Room No. 4, Anna Bhuvan,
3rd Floor, 87C Devji Ratansi Marg,

Dana Bunder, Mumbai (MH), 400009

Phone: 022-23486740,

Email Id: sarthakindustries@yahoo.in

Website: www.sarthakindustries.com

FORM NO. MGT- 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L99999MH1982PLC136834
Name of company : **SARTHAK INDUSTRIES LIMITED**
Registered office : Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India

Name of the member(s)	:
Registered address	:
E-mail Id	:
Folio No/ Client Id	:
DP ID	:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature :, or failing him

2. Name :

Address :

E-mail Id :

Signature :, or failing him

3. Name :

Address :

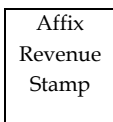
E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the **Tuesday, 26th September, 2017** at 12.30 p.m. at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1.	To receive, consider, approve and adopt the standalone financial statements and the consolidated financial statements of the Company for the year ended 31 st March 2017, together with the Directors' and Auditors' Reports thereon..
2.	To appoint a Director in place of Mr. Sartajsing Chhabra Pritamsing (DIN: 05342507), who retires by rotation and being eligible offers himself for re-appointment.
3.	Appointment of Statutory Auditors and fixing their remuneration.
Special Business	
4.	To approve the remuneration payable to M/s A. GOYAL AND CO., Cost Accountant (Firm Registration No. 101308), Cost Auditors of the Company for the financial year ending 31 st March, 2018.
5.	To approve the expenses for service of documents to members of the Company.

Signed this..... day of..... 2017



Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

Regd. Office: Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai - 400009 (MH), India

33rd Annual General Meeting

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON TUESDAY, 26TH SEPTEMBER, 2017

Registered Folio No/ Client Id No.

Full Name of Member (in BLOCK LETTERS)

No. of Shares held.....

I/We certify that I/We am/are registered shareholder/ proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India on Tuesday, 26th September, 2017.

(Member/proxy's Signature)

(Name in BLOCK LETTERS, if signed by proxy)

Note:

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

Wadi Bunder Bridge

MASJID BUNDER RLY STATION

TOWARDS CST MUMBAI

Anna Bhuvan

Raj Chamber

Radha Krishna Hotel

87-C Devji Ratansi Marg

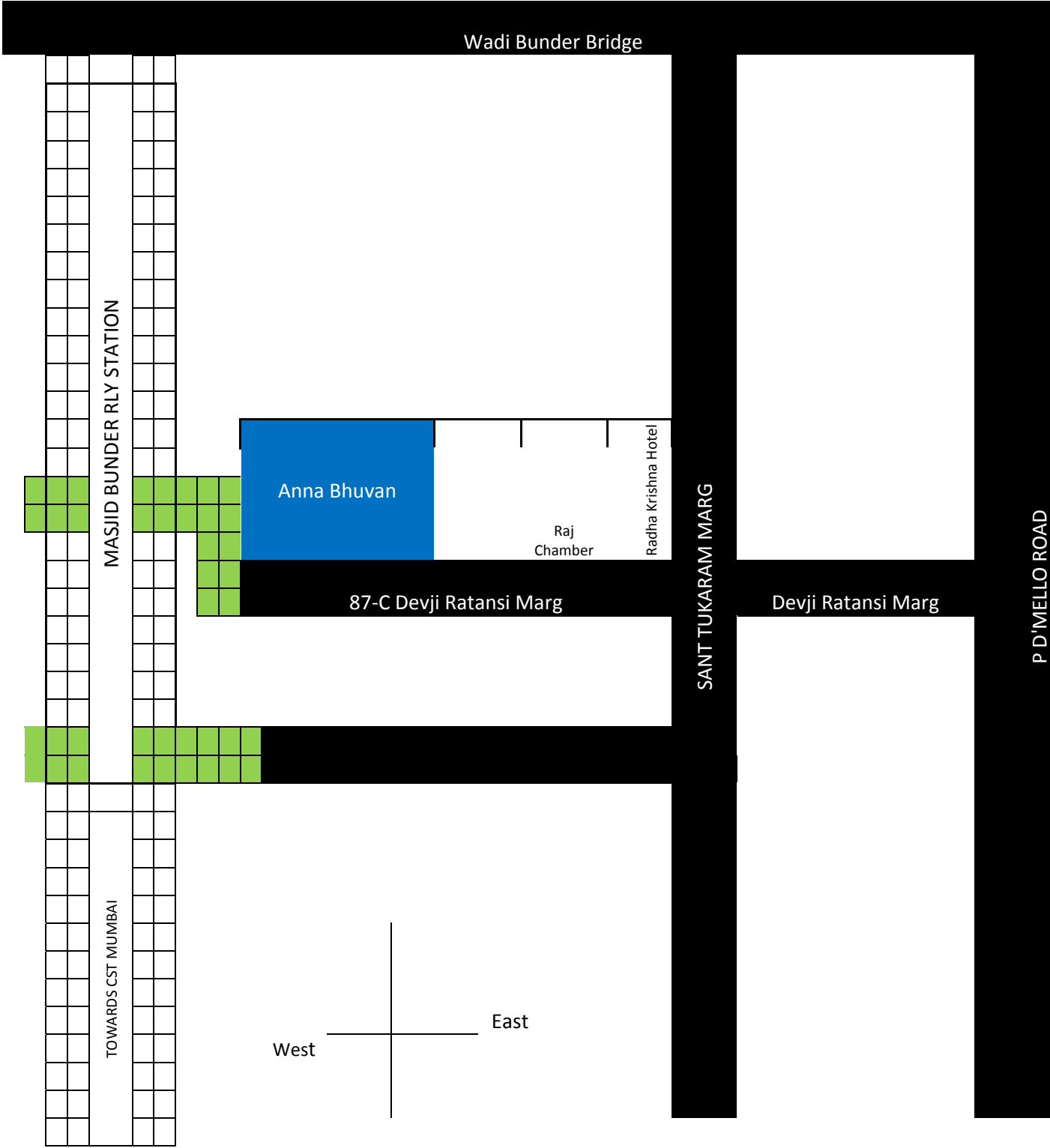
Devji Ratansi Marg

SANT TUKARAM MARG

P D'MELLO ROAD

West

East



BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 33rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

The performance of the Company for the financial year ended on 31st March, 2017 is summarized below:

Particulars	(Rs. In Lacs)		Consolidated 2016-17
	Standalone		
	2016-17	2015-16	
Revenue from operations and other Income	16,567.30	10,025.61	16,567.30
Profit/ (Loss) before Depreciation & Taxation	187.31	146.96	187.31
Depreciation	54.36	40.07	54.36
Profit/ (Loss) before tax	132.95	106.89	132.95
Tax Expenses	22.41	24.82	22.41
Share of Profit/(Loss) in respect of Investment in an associate	NA	NA	(19.43)
Profit/ (Loss) after Taxation	110.54	82.07	91.11
Balance brought forward from previous year	(327.48)	(409.55)	(327.48)
Amount available for appropriation	(216.94)	(327.48)	(236.37)
APPROPRIATION	--	--	--
Amount Carried to Balance sheet	(216.94)	(327.48)	(236.37)

DIVIDEND

Your Directors have decided to plough back the profits to the operational fund requirement of the Company. Hence, no dividend has been recommended for the year under review.

AMOUNT TRANSFERRED TO RESERVE

During the year, the Company has not transferred any amount in General Reserve.

OPERATIONS

During the year under review, Sales and Other Income of the Company stood at Rs. 16,567.30 Lacs showing increasing trend over the previous year Sales and Other Income Rs. 10,025.61 Lacs. Profit before tax has increased and stood at Rs. 132.95 Lacs as compared to previous year figures Rs. 106.89 Lacs and Net Profit also increased and stood at Rs. 110.54 Lacs as compared to previous year net profit Rs. 82.07 Lacs. Your Directors are hopeful for better performance in the coming years.

On a consolidated basis, the total revenue stood at Rs. 16,567.30 Lacs and net profit for the year stood at Rs. 91.11 Lacs.

DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review, the Company has not raised any paid up share capital. The Paid up Equity Share Capital as at 31st March 2017 stood at Rs. 6,96,88,500/-. The Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

INSURANCE

All properties and insurable interests of the Company including Building and Plant & Machinery have been adequately insured.

HUMAN RESOURCE & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all the employees in maintaining cordial relations.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

A separate report on Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of this report. Certificate regarding compliance of conditions of Corporate Governance Report issued by Statutory Auditors is attached separately to this report.

Management Discussion and Analysis Report as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached separately to this Annual Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

To the best of their knowledge and belief, your Directors make the following statements in terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013:

- i) That in the preparation of the annual accounts for financial year ended 31st March, 2017; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit/ loss of the Company for that period;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the annual accounts on a going concern basis;

v) That the Directors have laid down internal financial controls, which are adequate and are operating effectively;

vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sartajsing Chhabra (DIN: 05342507), Director of the Company retires by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer herself for re-appointment.

During the year, declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the directors is disqualified holding office as director.

Details of the proposal for appointment/ re-appointment of Directors are mentioned in the Notice of the Annual General Meeting.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

During the year 2016-17, M/s Paras Industries Private Limited (Sri Lanka) has become associate Company of the Company.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder, the Company had prepared consolidated financial statements of the Company and its associate and a separate statement containing the salient features of financial statement of associate in Form AOC-1 is given in the “*Annexure A*” that forms part of this Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its associate, are available on our website, www.sarthakindustries.com. These documents will also be available for inspection till the date of the AGM during business hours at our registered office of the Company.

The Company does not have any subsidiary company or joint venture.

NUMBER OF MEETINGS OF THE BOARD

The Board met 10 times during the financial year. The details of which are given in the *Corporate Governance Report* that forms part of this annual report. The intervening gap between any two Meetings was within the period prescribed under the Companies Act, 2013.

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and Senior Management and Independent Directors of the Company. All the Board members including Independent Directors and Senior Management Personnel have affirmed compliance with the code of conduct. Declaration on adherence to the code of conduct is forming part of the Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

None of Independent Directors are due for re-appointment.

FAMILIARIZATION PROGRAMME

Details of the programmes for familiarization of the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. are available on the website of the Company at the link: <http://www.sarthakindustries.com/images/Familiarisation%20Programme-SIL.pdf>

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements and during the year, no reportable material weaknesses in the design or operation were observed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any loans or guarantees or made investment beyond the limits mentioned under the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.sarthakindustries.com/images/Related_Party_Policy.pdf

MATERIAL CHANGES AND COMMITMENT BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are given in the "*Annexure B*" forming part of this report.

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES

None of the employee has received remuneration exceeding the limit as stated in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in the "*Annexure C*" forming part of this report. The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first provision to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

Further, none of directors is drawing any remuneration or commission from any subsidiary or associate companies.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as "*Annexure D*" forming part of this report.

AUDIT COMMITTEE

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism which also incorporates a Whistle Blower Policy in line with the provisions of the Companies Act, 2013 and the Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to report genuine concerns or grievances. The Vigil Mechanism/ Whistle Blower Policy may be accessed on the Company's website i.e. www.sarthakindustries.com.

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The details of risk have been covered in the Management Discussion and Analysis Report forming part of the Boards report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

AUDITORS & AUDITORS REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s Ashok Khasgiwala & Co., Chartered Accountants (Firm Registration No.: 0743C), Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on 28th August, 2017, on the recommendation of the Audit Committee, have recommended the appointment of M/s Atishay & Associates, Chartered Accountants (Firm Registration No. 020120C), as the Statutory Auditors of the Company to the Members at the 33rd Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. Atishay & Associates, Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice calling 33rd Annual General Meeting of the Company. In this regard, the Company has received a certificate to the effect that they satisfy the criteria provided under Section 141 of the

Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The notes referred to by the Auditors in their Report are self explanatory and hence do not require any explanation.

Further, there was no fraud in the Company, which was required to report by statutory auditors of the Company under sub-section (12) of Section 143 of Companies Act, 2013.

COST AUDIT

The Board has appointed M/s A. Goyal & Co., Cost Accountants, (Firm Registration No. 101308) as Cost Auditors of the Company for conducting the audit of cost records maintained by the Company for the financial year 2017-18. The Cost Audit Report for the year 2015-16 was filed with the Central Government within the stipulated timeline.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Ajit Jain & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17 is annexed herewith as “**Annexure E**” forming part of this report.

There are no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status of the Company and future operations.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure F**” forming part of this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all the employees of the Company for their enormous personal efforts as well as their collective contribution during the year. The Directors would also like to thank the shareholders, customers, suppliers, bankers, financial institutions and all other business associates for their continuous support given by them to the Company and their confidence in the management.

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director

DIN: 03644480

DEEPIKA ARORA

Director

DIN: 07117491

Place: Indore

Dated: 28th August, 2017

ANNEXURE 'A' TO DIRECTORS' REPORT**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Paras Industries (Private) Limited, Sri Lanka
Latest audited Balance Sheet Date	31.03.2017
Shares of Associate/Joint Ventures held by the company on the year end	
No.	24,49,284
Amount of Investment in Associates/Joint Venture	2,52,70,887
Extend of Holding%	23.17%
Description of how there is significant influence	Due to percentage of Share Capital
Reason why the associate/joint venture is not consolidated	Not Applicable
Net worth attributable to shareholding as per latest audited Balance Sheet (amount in Rs.)	2,03,61,706
Profit/(Loss) for the year (amount in Rs.)	(1,35,86,074)
Considered in Consolidation	(31,31,022)
Not Considered in Consolidation	(1,04,55,052)

- Names of associates or joint ventures which are yet to commence operations – NIL
- Names of associates or joint ventures which have been liquidated or sold during the year – NIL

For and on behalf of the Board of Directors

For **ASHOK KHASGIWALA & CO.,**
Chartered Accountants

YOGENDER MOHAN SHARMA
Whole-time Director
DIN : 03644480

DEEPIKA ARORA
Director
DIN : 07117491

CA AVINASH BAXI
Partner
Membership No.079722

CS AMIT JAIN
Company Secretary

CA KAILASH AGARWAL
Chief Financial Officer

ANNEXURE 'B' TO BOARD'S REPORT

Information as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2017 are as under.

(A) Conservation of energy-**(i) The steps taken or impact on conservation of energy:**

Various operational measures were taken to reduce energy consumption such as operation control on timing of lighting and other equipment, especially in off-season and timely preventive maintenance of equipment to enhance their efficiency.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

No steps taken during the year 2016-17.

(iii) The capital investment on energy conservation equipments:

No Capital investment on energy conservation equipments during the year 2016-17.

(B) Technology absorption-**(i) The efforts made towards technology absorption:**

A continuous interaction and exchange of information in the industry is being maintained with a view to absorbing, adapting and innovating new methods that may be possible.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The main benefits derived are Quality improvement and Cost reduction.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company's operations do not require import of technology

(iv) The expenditure incurred on Research and Development:

No expenses have been incurred on Research and Development during the year 2016-17.

(C) Foreign exchange earnings and Outgo

During the year under review, the foreign exchange outgo was Rs. 1,46,00,630/- (Previous Year Rs. 2,13,00,369/-) and the foreign exchange earning was Rs. 10,64,734/- (Previous year Rs. Nil).

ANNEXURE 'C' TO BOARD'S REPORT**DISCLOSURE PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014:**

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Executive Director	Ratio of median remuneration
Mr. Yogender Mohan Sharma	6.06
Non-Executive Director	
Mr. Udesb Dassani	0.07
Mr. Vijay Rathi	0.07
Mr. Sartajsing Chhabra	0.06
Mrs. Deepika Arora	0.04

- (ii) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Name of Directors, CFO and Company Secretary	% increase in the remuneration in the financial year 2016-17
Mr. Yogender Mohan Sharma (Whole-time Director)	9.09%
Mr. Udesb Dassani (Non-Executive Independent Director)	Nil
Mr. Vijay Rathi (Non-Executive Independent Director)	Nil
Mr. Sartajsing Chhabra (Non-Executive Director)	Nil
Mrs. Deepika Arora (Non-Executive Director)	Nil
Mr. Kailash Kumar Agrawal (Chief Financial Officer)	14.03%
Mr. Amit Jain (Company Secretary)	25.22%

(iii) The percentage increase in the median remuneration of employees in the financial year: 12.40%

(iv) The number of permanent employees on the rolls of Company: 36

(v) 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:

The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was NIL whereas the percentile increase in the managerial remuneration for the same financial year 2016-17 was 13.81%. There is normal increase in managerial remuneration as per the industry standard.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that remuneration is as per the remuneration policy of the Company.

ANNEXURE 'D' TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Listing Regulation, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors.

DEFINITIONS

“Act” means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

“Board” means Board of Directors of the Company.

“Company” means “Sarthak Industries Limited”.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“Directors” means Directors of the Company.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) The Chief Executive Officer or the Managing Director or the Manager;
- ii) The Company Secretary;
- iii) The Whole-time Director;
- iv) The Chief Financial Officer; and
- v) such other officer as may be prescribed

“Senior Management” means the personnel of the Company who are members of its core management team excluding Board of Directors.

“Policy” or **“This policy”** means Nomination and Remuneration Policy.

“Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

NOMINATION AND REMUNERATION COMMITTEE

The Board constituted a Nomination and Remuneration Committee consisting of three or more non-executive directors out of which at least one half are independent directors. The Chairman of the Committee is an independent director.

ROLE OF THE COMMITTEE

The role of the Committee is as under:

- (a) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) To formulate criteria for evaluation of Independent Directors and the Board;
- (c) To carry out evaluation of every Director's performance;
- (d) To devise a policy on Board diversity;
- (e) To identify 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 their appointment and removal;
- (f) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- (g) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks;
- (h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

POLICY FOR APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:

I. Appointment criteria and qualifications

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- (c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Agreement.
- (d) The proposed appointee shall also fulfill the following requirements for appointment as a director:
 - i. Shall possess a Director Identification Number;
 - ii. Shall not be disqualified under the Companies Act, 2013;
 - iii. Shall give his written consent to act as a Director;
 - iv. Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - v. Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - vi. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

II. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

III. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:**I. Remuneration to Executive Directors and Key Managerial Personnel**

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

The Executive Director and Key Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board and approved by the shareholders and Central Government, wherever required.

II. Remuneration to Non-Executive and Independent Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive and Independent Directors of the Company within the overall limits approved by the shareholders.

Non-Executive and Independent Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The amount of such fees shall be decided by the Board on recommendation of the Nomination and Remuneration Committee.

The Non-Executive and Independent Directors shall also be entitled to profit related commission in addition to the sitting fees, if approved by the Board on recommendation of the Nomination and Remuneration Committee.

The remuneration payable to the Non-Executive and Independent Director shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made thereunder.

III. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

REVIEW AND AMENDMENT

The Nomination and Remuneration Committee or the Board may review and amend the Policy as and when it deems necessary.

In case of any amendment(s), notification(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), notification(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.

ANNEXURE 'E' TO BOARD'S REPORT**FORM NO. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SARTHAK INDUSTRIES LIMITED
(CIN: L99999MH1982PLC136834)
Room No. 4, Anna Bhuvan, 3rd Floor,
87C, Devji Ratansi Marg,
Dana Bunder,
Mumbai (MH) 400009

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sarhak Industries Limited (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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2017 (Audit Period), 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 Sarhak Industries Limited ("the Company") for the financial year ended on 31st March, 2017 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;
- (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) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the audit period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**;
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period)**;
- (vi) Other Laws applicable to the Company as per the representations made by the management.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is 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.

Majority decision is carried through and there were no dissenting views by any members of the Board during the period under review.

We further report that 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 Some of the Forms are filed with Registrar of Companies with Additional Fees.

We further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential Issue/debentures/sweat equity.
- (ii) Redemption/ buy-back of Securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations

Place: Indore
Date : 28th August, 2017

For Ajit Jain & Company
(Company Secretary)

Ajit Jain
Proprietor
FCS No.: 3933; C P No.: 2876

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 Secretarial Audit Report

To,
The Members,
SARTHAK INDUSTRIES LIMITED
(CIN: L99999MH1982PLC136834)
Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg,
Dana Bunder,
Mumbai (MH) 400009

Our report 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 the 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 not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and 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.

Place: Indore

Date: 28th August, 2017

For Ajit Jain & Company
(Company Secretary)

Ajit Jain
Proprietor
FCS No.: 3933; C P No.: 2876

ANNEXURE 'F' TO BOARD'S REPORT

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1982PLC136834
ii)	Registration Date	23 rd December, 1982
iii)	Name of the Company	Sarthak Industries Limited
iv)	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai , Maharashtra - 400009 Phone No.:- 022-23486740
vi)	Whether listed company (Yes/ No)	Yes
vii)	Name, address and contact details of Registrar & Transfer Agent, if any	Sarthak Global Limited, 170/10, Film Colony, R.N.T. Marg, Indore – 452 001 (MP); Phone No. – 0731-4279626

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service*	% to total turnover of the Company
1	Manufacturing of LPG Cylinders	2512	20.30%
2	Wholesale of Agricultural raw materials	4620	54.75%
3	Wholesale of Edible Oils	4630	12.44%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	PARAS INDUSTRIES PRIVATE LIMITED Address: NO. 91, 1 st Avenue, Kerawalapitiya Muthurajawela, Wattala, Sri Lanka-11300	Not applicable	Associate	23.17	2(6)

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	25,86,038	4,91,000	30,77,038	44.15	25,86,038	4,91,000	30,77,038	44.15	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	40,726	2,93,795	3,34,521	4.80	41,326	2,93,195	3,34,521	4.80	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,53,285	-	5,53,285	7.94	5,53,285	-	5,53,285	7.94	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Overseas Corporate Bodies	-	4,66,540	4,66,540	6.69	0	4,66,540	4,66,540	6.69	-
ii) Hindu Undivided Families	1,101	-	1,101	0.02	1,101	-	1,101	0.02	-
iii) Non-Resident Indian	1,835	-	1,835	0.03	1,835	-	1,835	0.03	-
Sub-total (B)(2):-	31,82,985	12,51,335	44,34,320	63.63	31,83,585	12,50,735	44,34,320	63.63	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	31,82,985	12,51,335	44,34,320	63.63	31,83,585	12,50,735	44,34,320	63.63	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	57,17,515	12,51,335	69,68,850	100	57,18,115	12,50,735	69,68,850	100	-

ii) Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Share holding at the end of the year (As on 31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish Shahra	9,10,000	13.06	-	9,10,000	13.06	-	-
2	Manish Shahra (HUF)	1,40,000	2.01	-	1,40,000	2.01	-	-
3	Suresh Chandra Shahra	1,12,000	1.61	-	1,12,000	1.61	-	-
4	Suresh Chandra Shahra (HUF)	2,10,000	3.01	-	2,10,000	3.01	-	-
5	Rishabh Suresh Mahajan	14,000	0.20	-	14,000	0.20	-	-
6	Amrita Shahra	100	0.00	-	100	0.00	-	-
7	Abha Devi Shahra	3,500	0.05	-	3,500	0.05	-	-
8	Bhavna Goel	500	0.01	-	500	0.01	-	-
9	Madhuri Shahra	1,000	0.01	-	1,000	0.01	-	-
10	Mridula Devi Shahra	2,600	0.04	-	2,600	0.04	-	-
11	Vishesh Shahra	3,150	0.05	-	3,150	0.05	-	-
12	Ruchi Mohan	1,500	0.02	-	1,500	0.02	-	-
13	Sandhya Khandelwal	500	0.01	-	500	0.01	--	-
14	Usha Shahra	2,500	0.04	-	2,500	0.04	-	--
15	Shweta Shahra	6,250	0.09	-	6,250	0.09	--	-
16	Deepti Properties Pvt. Ltd.	1,00,000	1.43	-	1,00,000	1.43	-	-
17	Vishal Warehousing Pvt. Ltd.	1,05,760	1.52	-	1,05,760	1.52	-	-
18	Neha Securities Pvt. Ltd.	1,06,950	1.53	-	1,06,950	1.53	-	-
19	Mahakosh Papers Pvt. Ltd.	3,75,000	5.38	-	3,75,000	5.38	-	-
20	Mahakosh Amusement Pvt. Ltd.	80,000	1.15	-	80,000	1.15	-	-
21	Deepti Housing Pvt. Ltd.	2,22,900	3.20	-	2,22,900	3.20	-	-
22	Shahra Securities Pvt. Ltd.	1,36,320	1.96	-	1,36,320	1.96	-	-
	Total	25,34,530	36.37	-	25,34,530	36.37	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	25,34,530	36.37	25,34,530	36.37
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year	25,34,530	36.37	25,34,530	36.37

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ANAND MANGAL INVESTMENT & FINANCE PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2016)	13,85,200	19.88	13,85,200	19.88
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	13,85,200	19.88	13,85,200	19.88
2.	GIRISH KUMAR PUSHKARLAL AGARWAL				
	At the beginning of the year (As on 01.04.2016)	5,11,200	7.34	5,11,200	7.34
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	5,11,200	7.34	5,11,200	7.34
3.	ANTARICA RESOURCES LIMITED				
	At the beginning of the year (As on 01.04.2016)	4,66,540	6.69	4,66,540	6.69
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	4,66,540	6.69	4,66,540	6.69
4.	PROMISE SECURITIES PVT. LIMITED				
	At the beginning of the year (As on 01.04.2016)	4,00,000	5.74	4,00,000	5.74
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	4,00,000	5.74	4,00,000	5.74
5.	SELWEL WORLDWIDE TRADE PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2016)	2,58,350	3.71	2,58,350	3.71
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	2,58,350	3.71	2,58,350	3.71
6.	NEXGEN MINERALS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2016)	2,41,650	3.47	2,41,650	3.47
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			

	At the end of the year (As on 31.03.2017)	2,41,650	3.47	2,41,650	3.47
7.	SHIELD TRADELINKS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2016)	2,28,500	3.28	2,28,500	3.28
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	2,28,500	3.28	2,28,500	3.28
8.	GAGANDEEP EXPORT PVT. LTD.				
	At the beginning of the year (As on 01.04.2016)	1,50,000	2.15	1,50,000	2.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	1,50,000	2.15	1,50,000	2.15
9.	REHVA ESTATE PVT. LTD.				
	At the beginning of the year (As on 01.04.2016)	1,00,000	1.43	1,00,000	1.43
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	1,00,000	1.43	1,00,000	1.43
10.	GREAT EASTERN INFRA. CORP. PVT. LTD.				
	At the beginning of the year (As on 01.04.2016)	70,000	1.00	70,000	1.00
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	70,000	1.00	70,000	1.00

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Yogender Mohan Sharma				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-
2.	Mr. Udesh Dassani				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-

3.	Mr. Vijay Rathi				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-
4.	Mr. Sartajsing Chhabra				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-
5.	Ms. Deepika Arora				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-
6.	Mr. Kailash Kumar Agarwal (CFO)				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-
7.	Mr. Amit Jain (Company Secretary)				
	At the beginning of the year (As on 01.04.2016)	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2017)	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	833.76	24.46	-	858.22
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	6.43	6.11	-	12.54

Total (i+ii+iii)	840.19	30.57	-	870.76
Change in Indebtedness during the financial year				
* Addition	231.58	523.41	-	754.99
* Reduction	851.32	30.57	-	881.89
Net Change	-619.74	492.84	-	-126.90
Indebtedness at the end of the financial year				
i) Principal Amount	219.46	517.91	-	737.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.99	5.5	-	6.49
Total (i+ii+iii)	220.45	523.41	-	743.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Yogender Mohan Sharma (Whole-time Director)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,64,000	8,64,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	8,64,000	8,64,000
	Ceiling as per the Act		Rs. 84,00,000

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Udesb Dassani	Mr. Sartajsing Chhabra	Mr. Vijay Rathi	Ms. Deepika Arora	
1	Independent Directors					
	Fee for attending board committee meetings	10,000	-	10,000	-	20,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					

2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	8,000	-	6,000	14,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	10,000	8,000	10,000	6,000	34,000
	Total Managerial Remuneration (Total of A and B)*					8,98,000
	Overall Ceiling as per the Act**					Rs. 84,00,000

* Total remuneration of Whole-time Director and other Directors including sitting fee (being the total of A and B)

** As per the provisions of Sub Section (2) read with sub section (5) of Section 197 of the Companies Act, 2013, sitting fees paid to directors are to be excluded while calculating the overall managerial remuneration.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kailash Kumar Agarwal (Chief Financial Officer)	Mr. Amit Jain (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,36,200	10,42,812	22,79,012
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	12,36,200	10,42,812	22,79,012

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director

DIN: 03644480

DEEPIKA ARORA

Director

DIN: 07117491

Place: Indore

Dated: 28th August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure and Developments

Your Company is primarily engaged in manufacturing of LPG Cylinders. The LPG Cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., Bharat Petroleum Corporation Ltd. etc. and also to Private Companies. Apart from this, Company is also engaged in trading of agri-commodities and other businesses on opportunity basis. As a major of diversification, the Company has also decided to engage in Mining and Mineral Based Industry in India.

During the year 2016-17, the Company's performance was satisfactory as compared to last year. The Management is hopeful that Company's future is bright in the coming years.

Merchant Trading

Depending on market opportunities the Company is undertaking Merchant Trading activities of various commodities.

Segment-wise or product-wise performance

Your Company has identified two business segments in line with the Accounting Standard on Segment Reporting. These are:

- | | |
|------------------|--|
| Cylinders | - Manufacturing and repairing of LPG cylinders |
| Merchant Trading | - Trading of various commodities, materials etc. |

The segment wise performance in detail is given in **Note 36** to the audited accounts of the Company as available in this Annual Report.

Outlook

The year 2016-17 continues to be a challenging year for the global economy as well as Indian economy. In spite of this fact, Company has increased its gross profit as compared to last year. The Management is hopeful that in future, the Company will grow its manufacturing and trading activities and will get good orders for the manufacturing of cylinders as well as repairing of old cylinders.

Risk and concerns

Profitability may be affected on account of competition from existing and prospective manufacturers of the Company's products. The Company is exposed to risks from Change in policy of similar companies which are major buyers for the Company's product, further increase in input costs, higher levies, and changes in Govt. Policies/laws of land, etc. may affect profitability of the Company.

Internal control system and their adequacy

The Company maintains adequate internal control systems, which provide reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets and compliance with applicable laws and regulations, etc.

The adequacy of the same has been reported by the statutory auditors of your Company in their report.

Financials

The performance of the Company for the financial year 2016-17 is summarized below:

Balance Sheet	Standalone		Consolidated
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017
a. Share Capital	696.88	696.88	696.88
b. Reserves and Surplus	2,521.15	2,410.60	2,501.71
c. Non-Current Liabilities	747.68	18.57	747.68
d. Current Liabilities	4,163.41	6,373.41	4,163.41
e. Non-Current Assets	3,744.43	3,309.51	3,725.00
f. Current Assets	4,384.70	6,189.97	4,384.70

Summarized Profit and Loss Account

Particulars	Standalone		Consolidated
	2016-17	2015-16	2016-17
Revenue from operations and other Income	16,567.30	10,025.61	16,567.30
Profit/ (Loss) before Depreciation & Taxation	187.31	146.96	187.31
Depreciation	54.36	40.07	54.36
Profit/ (Loss) before tax	132.95	106.89	132.95
Tax Expenses	22.41	24.82	22.41
Share of Profit/(Loss) in respect of Investment in an associate	NA	NA	(19.43)
Profit/ (Loss) after Taxation	110.54	82.07	91.11
Balance brought forward from previous year	(327.48)	(409.55)	(327.48)
Amount available for appropriation	(216.94)	(327.48)	(236.37)
APPROPRIATION	--	--	--
Amount Carried to Balance sheet	(216.94)	(327.48)	(236.37)

Material development in Human Resources / Industrial Relations front

Your Company considers the quality of its human resources to be the most important asset and constantly endeavors to attract and recruit best possible talent. Our training programs emphasize on general management perspective to business. The Company continues to empower its people and provide a stimulating professional environment to its officers to excel in their respective functional disciplines.

The industrial relations of the Company continue to remain harmonious and cordial with focus on improving productivity and quality.

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Your Company believes that the main aim of Corporate Governance is to achieve high level of transparency and accountability with all its stakeholders together with meeting their aspirations. Also a Company cannot perform efficiently in the long run without respecting interests of stakeholders and society as a whole.

In so far as compliance with the requirements of the Listing Agreement, Listing Regulations, the Company is in full compliance with the norms and disclosures that have to be made on Corporate Governance format.

BOARD OF DIRECTORS

The number of independent directors is more than one-third of the total number of Directors. The number of non-executive Directors is more than 50% of the total number of Directors.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, across all the Companies in which he/ she is a Director.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the period and at the last Annual General Meeting are given below:

A) COMPOSITION AND CATEGORY OF DIRECTORS

Name of the Director	Category	Attendance		No. of Directorship/ Committee Positions held in other Public Limited Companies.			No. of Shares held by Non-Executive Director as on 31.03.17
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*	
Mr. Yogender Mohan Sharma	Whole-time Director	8	Yes	1	1	1	N.A.
Mr. Vijay Rathi	Independent Director	5	Yes	1	2	---	Nil
Mr. Udesb Dassani	Independent Director	5	No	2	2	---	Nil
Mr. Sartajsing Chhabra	Non-Executive Director	6	No	4	3	1	Nil
Ms. Deepika Arora	Non-Executive Director	6	No	---	---	---	Nil

* Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee.

None of directors are related to any other director on the Board.

The details of familiarisation programmes imparted to independent directors are available at the website of the Company at the link: <http://www.sarthakindustries.com/images/Familiarisation%20Programme-SIL.pdf>.

B) BOARD PROCEDURE

During the financial year 2016-17, the Board of Directors met on the following dates: 30th May, 2016; 20th June, 2016; 11th July, 2016; 01st August, 2016; 12th August, 2016; 03rd September, 2016; 26th September, 2016; 14th November, 2016; 14th February, 2017 and 22nd March, 2017. The gap between two meetings did not exceed one hundred twenty days. The dates of meetings were generally decided in advance.

The Board has formulated a Code of Conduct for Directors and Senior Management of Company. It is hereby affirmed that all the Directors and the senior management personnel have complied with the code.

The Company placed before the Board most of the information specified in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. The Board periodically reviews compliance reports on all laws applicable to the Company. The Company takes effective steps to rectify instances of noncompliance, if any.

BOARD COMMITTEES

Presently the Board has following committees:

A) AUDIT COMMITTEE

The Company has an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

a) Members of Committee:

The Composition of Audit Committee as on 31.03.2017 is as under:

Mr. Vijay Rathi	Chairman
Mr. Udesb Dassani	Member
Mr. Yogender Mohan Sharma	Member

The Company Secretary is the Secretary of the Committee.

b) Brief terms of reference:

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. Recommend the 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 auditors' report thereon before submission to the board for approval, with particular reference to:
 - i. 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 Act,
 - ii. Changes, if any, in accounting policies and practices and reasons for the same,
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management,
 - iv. Significant adjustments made in the financial statements arising out of audit findings,
 - v. Compliance with listing and other legal requirements relating to financial statements,
 - vi. Disclosure of any related party transactions,
 - vii. Qualifications 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditors' 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 CFO;
20. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
21. To review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;

- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
22. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The terms of reference specified by the Board to the audit committee are as contained under Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- c) The Chairman of the Audit Committee was present in previous Annual General Meeting held on 30th September, 2016 to answer member's queries.

- d) Dates of the Audit Committee meetings and attendance:

The Committee met six times during the year on the following dates:

30th May, 2016; 20th June, 2016; 12th August, 2016; 03rd September, 2016; 14th November, 2016 and 14th February, 2017.

Mr. Vijay Rathi and Mr. Udesb Dassani have attended six meetings, Mr. Yogender Mohan Sharma has attended five meetings.

B) NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee and the terms of reference meet with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

- a) Members of Committee:

The Composition of Nomination and Remuneration Committee as on 31.03.2017 is as under:

Mr. Vijay Rathi	Chairman
Mr. Udesb Dassani	Member
Mr. Sartajsing Chhabra	Member

- b) Brief terms of reference:

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

2. To formulate criteria for evaluation of Independent Directors and the Board;
 3. To carry out evaluation of every Director's performance;
 4. To devise a policy on Board diversity;
 5. To identify 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 their appointment and removal.
 6. To recommend to the Board on remuneration payable to the Directors, Key managerial personnel and senior management.
 7. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks;
 8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- c) Dates of the Nomination and Remuneration Committee meetings and attendance:
The Committee met two times during the year on the following dates:
26th September, 2016 and 14th February, 2017.
Mr. Vijay Rathi has attended two meetings, Mr. Udesb Dassani has attended two meetings and Mr. Sartajsing Chhabra has attended two meetings.
- d) The details relating to remuneration of Directors, as required under the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, have been given under a separate heading, viz. '*DETAILS OF REMUNERATION TO DIRECTORS*' in this report.
- e) The Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and others matters is attached as "*Annexure D*" to the Directors Report.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted for redressal of investors complaint/grievances. The Committee's primary responsibility is to implement a smooth share transfer process, minimize shareholders/investor grievances and to strengthen investor's relation.

The composition of the Stakeholders' Relationship Committee and the terms of reference meet with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

- a) Members of Committee:

The Composition of Stakeholders' Relationship Committee as on 31.03.2017 is as under:

Mr. Udesb Dassani	Chairman
Mr. Vijay Rathi	Member
Mr. Yogender Mohan Sharma	Member

- b) Name and designation of compliance officer: Mr. Amit Jain, Company Secretary.
- c) During the financial year 2016-2017, the committee held four meetings on following dates:
04th June, 2016, 18th August, 2016, 16th November, 2016 and 16th February, 2017.
Mr. Udesb Dassani has attended two meetings, Mr. Vijay Rathi has attended two meetings and Mr. Yogender Mohan Sharma has attended four meetings.
- d) No investor complaints were received during the financial year 2016-17. All valid share transfers received during the year 2016-17 have been acted upon by the Company and as on 31st March, 2017 there were Nil shares pending for transfer.

D) RISK MANAGEMENT COMMITTEE

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan and policy of the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness.

- a) Members of Committee:

The Composition of Risk Management Committee as on 31.03.2017 is as under:

Mr. Yogender Mohan Sharma	Chairman
Mr. Sartajsing Chhabra	Member
Mr. Kailash Kumar Agarwal	Member

- b) The Committee met two times during the year on 14th September, 2016 and 08th March, 2017.

DETAILS OF REMUNERATION TO DIRECTORS

A. REMUNERATION TO EXECUTIVE DIRECTORS

The particulars of remuneration of executive director during the financial year 2016-17 are as under:

Name	Designation	Salary	Perquisites	Total
Mr. Yogender Mohan Sharma	Whole-time Director	8,64,000	-	8,64,000

As on 31st March, 2017, Non executive Directors were holding Nil Shares of the Company.

B. REMUNERATION TO NON-EXECUTIVE DIRECTOR

The Non-Executive Directors are paid sitting fees for every meeting of the Board and/or Committee attended by them. No commission was paid or payable to the Non-Executive Directors during the financial year 2016-17.

The sitting fees paid to all Non-Executive Directors for attending meetings of the Board and/or Committee thereof for the year ended 31.03.2017 is as follows:- Mr. Vijay Rathi – Rs. 10,000/- ,

Mr. Udesh Dassani – Rs. 10,000/- , Mr. Sartajsing Chhabra– Rs. 8,000/- and Ms. Deepika Arora– Rs. 6,000/-.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, one meeting of the Independent Directors held, without the attendance of Executive Directors and members of management. All the Independent Directors were present in that meeting.

The Independent Directors in the said meeting had, inter-alia:

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

GENERAL BODY MEETINGS

Annual General Meetings

The last three Annual General Meetings of the Company were held as under:

YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2013-14	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-(MH) – 400 009	10/09/2014	3.00 p.m.	Special Resolution passed for i. Appointment of Mr. Yogender Mohan Sharma as Whole-time Director of the Company. ii. Authorization to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. iii. Authorization to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013.
2014-15	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-(MH) – 400 009	22/09/2015	4.30 p.m.	No Special Resolution passed.
2015-16	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-(MH) – 400 009	30/09/2016	11.00 a.m.	Special Resolution passed for Authorization to the Board of Directors under Section 186 of the Companies Act, 2013.

All the special resolutions if any, passed in the last three Annual General Meetings were put to vote by show of hands and were passed with the requisite majority.

Extra-ordinary General Meeting

During the financial year 2016-17, no Extra Ordinary General Meeting of the Company was held.

Postal Ballot

Approval of shareholders was obtained by means of postal ballot for the following matters viz.

- (1) Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for authorizing the Board of Directors to borrow money upto the maximum amount not exceeding Rs. 250.00 Crores.
- (2) Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors to transfer, sell, lease, assign, deliver or otherwise dispose off, mortgage, and /or charge all or any of the immovable and movable properties of the Company or the whole or substantially the whole of the undertaking or undertakings of the Company upto an amount not exceeding Rs. 250.00 Crores.
- (3) Special Resolution under Section 186 of the Companies Act, 2013 for authorizing the Board of Directors to make investments, extend guarantee, provide security upto the maximum amount not exceeding Rs. 250.00 Crores.
- (4) Special Resolution under Section 13 of the Companies Act, 2013 for alteration in the Objects Clause III(B) of the Memorandum of Association of the Company.
- (5) Special Resolution for Authorization to provide Corporate Guarantee/ Collateral Security to M/s Anik Industries Ltd.

The postal ballot process was conducted, as provided under the provisions mentioned under Section 110 of the Companies Act, 2013, read the Companies (Management and Administration) Rules, 2014. Mr. Ajit Jain, Practicing Company Secretary, Indore was appointed as scrutinizer to conduct the postal ballot voting process. Voting pattern was electronic as well as physical. The result of postal ballot was declared on 19th June, 2017 and was also posted on the website of the Company.

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. The audit confirms that the total Issued/ Paid-up Capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES

The Company did not have any related party transactions, which may have potential conflict with its interest at large.

The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties have been imposed against it in the last three years.

The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/ re-appointment of Directors.

The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the audit committee.

The Company has complied with the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Web link where policy for determining 'material' subsidiaries is disclosed:

<http://www.sarthakindustries.com/images/Policy%20for%20determining%20Material%20Subsidiary.pdf>

Web link where policy on dealing with related party transactions is disclosed:

http://www.sarthakindustries.com/images/Related_Party_Policy.pdf

Disclosure of commodity price risks and commodity hedging activities:

The management of the Company takes effective steps timely to minimise commodity price risks and also hedges its exposure.

MEANS OF COMMUNICATIONS

The quarterly and yearly financial results of the Company are published in the newspapers namely Free Press Journal & Navshakti (both Mumbai editions). The Company has a website, namely www.sarthakindustries.com for displaying its results.

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF ANNUAL REPORT

THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF SEBI (LODR) REGULATIONS, 2015:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

GENERAL SHAREHOLDERS INFORMATION

Date, Time & Venue of the Annual General Meeting

26th September, 2017 at 12:30 p.m. at
Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder
Mumbai (MH) - 400 009

Financial Year

01st April, 2016 – 31st March, 2017

Financial Calendar

Financial Reporting (tentative) for Quarter ending

June 30, 2017	- September, 2017
September 30, 2017	- November, 2017
December 31, 2017	- February, 2018
March 31, 2018	- May, 2018

Date of book closure

19th September, 2017 to 26th September, 2017 (Both days inclusive)

Listing on Stock Exchanges at

The Bombay Stock Exchange Ltd. (BSE) (Stock Code: 531930)

Listing fees

Paid to the Bombay Stock Exchange (BSE) for the financial year 2016-17.

Electronic connectivity

The National Security Depository Ltd. & the Central Depository Services (India) Ltd.

ISIN No. at NSDL / CDSL

INE 074 H01012

Market Price Data

The monthly high & low share prices of the Company traded at the Bombay Stock Exchange from 1st April, 2016 to 31st March, 2017 are given below:

Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-16	---	---
May-16	---	---
June-16	---	---
July-16	---	---
August-16	---	---
September-16	---	---
October-16	---	---
November-16	---	---
December-16	---	---
January-17	---	---
February-17	---	---
March -17	---	---

Investors' correspondence may be addressed to

Mr. Amit Jain
 Company Secretary and Compliance Officer
 Sarthak Industries Limited
 Room No. 4, Anna Bhuvan, 3rd Floor,
 87C Devji Ratansi Marg, Dana Bunder
 Mumbai (MH) - 400 009
 Tel. No.: +91- 22- 23480110
 Email: sarthakindustries@yahoo.in

Distribution of Equity Shareholding and its pattern as on 31st March, 2017

Distribution of Equity Shareholding 31.03.2017			
Share Class		No. of Equity Shares	
No. of Shares	No. of Holders	No. of shares held	Shareholding %
Up to 500	437	1,65,803	2.38
501-1000	155	1,28,691	1.85
1001-2000	13	19,152	0.27
2001-3000	9	22,249	0.32
3001-4000	2	6,650	0.09
4001-5000	3	13,250	0.19
5001-10000	1	9,000	0.13
10001 and above	30	66,04,055	94.77
Total	650	69,68,850	100.00

Shareholding Pattern		
Category	No. of Shares	Shareholding %
Promoters	25,34,530	36.37
Domestic Corporate Bodies	30,77,038	44.15
Indian Public	8,88,907	12.76
NRIs/OCBs/FIIs	4,68,375	6.72
Total	69,68,850	100.00

Communication regarding share Transfer in physical/electronic form and other related correspondence

Sarthak Global Limited
 170/10, R.N.T. Marg, Film Colony, Indore,
 (M.P.) – 452 001; Tel : + 91- 731- 2523545
 Fax: + 91-731- 2526388; Email: sgl@sarthakglobal.com
 Website: www.sarthakglobal.com

Dematerialization of shares and Liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE 074 H01012. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories, holding Company's share in demat mode. As on 31st March, 2017 out of 69,68,850 equity shares of Rs. 10/- each, 57,18,115 equity shares which is 82.05% of total equity are now held in electronic form.

Share transfer system

The Registrar & Share Transfer Agent M/s. Sarhak Global Ltd. deals with share transfer both in physical and dematerialized mode. The dematerialized (demat) shares are transferable through the depository system. Shares in physical form are processed by the Registrar & Share Transfer Agent and approved by the Share Transfer Committee of Directors of the Company. Transfer of physical shares is made within the time stipulated by stock exchange.

Outstanding GDRs/ ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ ADRs / Warrants / Convertible instruments of the Company and hence, the same is not applicable to the Company.

Plant Locations

Pithampur Industrial Area,
Village Akoliya, District Dhar, (M.P.)

Address for correspondence

214, Trade Centre,
South Tukoganj,
Indore, (MP) – 452 001
+ 91-731- 2524399

Email: sarthakindustries@yahoo.in

CEO/CFO CERTIFICATION

To
The Board of Directors,
Sarthak Industries Ltd.

In relation to the Audited Financial Accounts of the Company as at March 31, 2017, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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 ended March 31, 2017, which is 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 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 have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee, wherever applicable:
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they 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.

YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480

Place: Indore
Dated: 30th May, 2017

KAILASH KUMAR AGARWAL
CFO

Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To

The Members of

SARTHAK INDUSTRIES LIMITED

1. We have examined the compliances of conditions of corporate governance by Sarthak Industries Limited for the year ended March 31, 2017 as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
8. We state that such compliance is neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **ASHOK KHASGIWALA & CO.,**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 0743C)

CA Avinash Baxi
Partner
(Membership No. 79722)

Place : Indore
Dated: 28th August, 2017

Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Sarthak Industries Limited ("The Company") which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standard specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This Responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standard and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2017 taken on records by the Board of Director, none of the directors is disqualified as on 31st March, 2017 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 read with Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to be best of our information and according to the explanations given to us:
 - a. The company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 27 to the financial statements;
 - b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - d. The Company has provided requisite disclosures in the financial statements refer note no.28 as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company.

For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 0743C)

Date: 30.05.2017
Place: Indore

CA Avinash Baxi
(Partner)
M.No. 079722

Annexure A to Independent Auditor's Report

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sarthak Industries Limited on the financial statements for the year ended 31st March, 2017.

- i. In respect of its Fixed Assets :
- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - As explained to us, the fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not in the name of the Company:

Particulars	No. of cases	Gross Block as at 31 st March, 2017 (Rs.)	Net Block as at 31 st March, 2017 (Rs.)	Remarks
Leasehold Land	1	57722554	57722554	Land allotted by Indore Development Authority (IDA) the possession of which have been handed over but lease deed of the same is yet to be executed.
Freehold Land	1	139700000	139700000	The title deeds are in the name of erstwhile Company that was amalgamated with the company in the year 2011-12.

- ii. In respect of its Inventories:
- The inventories has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to company, firm, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion the provisions of para 3 (iii) of the Order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made The company has not given any guarantee or provided any security in terms of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been maintained.

We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues :

- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, duties of customs, duties of excise which have not been deposited with appropriate authorities on account of any dispute except as follows :

Name of the Statute	Nature of Dues	Amount Involved Rs. #	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	438131	2009-10 & 2010-11	MP Commercial Tax Appellate Board
Central Sales Tax Act, 1956	Sales Tax	338379	2014-15	Asstt. Commissioner of Commercial Tax
Bombay Sales Tax Act, 1959	Sales Tax	838913	1998-99	Hon. Judicature of High Court at Bombay
Bombay Sales Tax Act, 1959	Sales Tax	3934696	2001-02	Maharashtra Sales Tax Tribunal, Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	8235218	2002-03	Maharashtra Sales Tax Tribunal, Mumbai.
M.P. Vat Act, 2002	Sales Tax	183051	2011-12	Dy. Comm. of Comm. Tax (Appeals)
Income Tax Act, 1961	Income Tax	7364789	FY 2010-11, 2012-13, 2013-14	Comm. of Income Tax (Appeal)

Net of amount deposited

- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to a financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and In our opinion and according to the information and explanations given to us, the term loans obtained during the year have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore the provision of para 3 (xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year, hence the provision of para 3 (xv) of the Order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) of the Order is not applicable to the company for the year under audit.

For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 0743C)

Date: 30.05.2017
Place: Indore

CA Avinash Baxi
(Partner)
M.No. 079722

Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Sarthak Industries Limited

Report on the Internal Financial Controls 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 Sarthak Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 internal control over financial reporting criteria established by the Company considering 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. 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2017, based on the internal control over financial reporting criteria established by the Company considering 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.

**For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 0743C)**

Date: 30.05.2017
Place: Indore

**CA Avinash Baxi
(Partner)
M.No. 079722**

SARTHAK INDUSTRIES LIMITED
CIN: L99999MH1982PLC136834
BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	1	69688500	69688500
(b) Reserves and surplus	2	252114940	241060693
		321803440	310749193
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	72766502	0
(b) Long-term provisions	4	2001749	1857892
		74768251	1857892
(3) Current Liabilities			
(a) Short-term borrowings	5	0	83376000
(b) Trade payables	6	345742547	535711937
(c) Other current liabilities	7	70090151	17932396
(d) Short-term provisions	8	508850	321467
		416341548	637341800
TOTAL		812913239	949948885
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment			
(i) Tangible assets	9	287948883	248866579
(ii) Capital work-in-progress		16071999	14937870
(b) Non-current investments	10	26808683	1573869
(c) Deferred tax assets	11	3704410	3232447
(d) Long term loans and advances	12	39889175	59571715
(e) Other non-current assets	13	20000	2769157
		374443150	330951637
(2) Current Assets			
(a) Inventories	14	41195433	158280941
(b) Trade receivables	15	93793508	169348331
(c) Cash and bank balances	16	26828597	40825344
(d) Short-term loans and advances	17	276384750	250182871
(e) Other current assets	18	267801	359761
		438470089	618997248
TOTAL		812913239	949948885
Notes forming part of the financial statements	1 to 45		
General corporate information and Significant Accounting Policies	A-B		
As per our report of even date For Ashok Khasgiwala & Co. Chartered Accountants		For and on behalf of Board of Directors	
CA Avinash Baxi Partner M. No. : 079722	Yogender Mohan Sharma Whole Time Director DIN: 03644480	Deepika Arora Director DIN: 07117491	
Place : Indore Dated : 30th May, 2017	CS Amit Jain Company Secretary	CA Kailash Agarwal Chief Financial Officer	

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note No.	For the year 2016-17	For the year 2015-16
I. INCOME			
a. Revenue from operations	19	1650646244	1008595123
Less : Excise duty		39368463	30753003
Revenue from operations (Net)		1611277781	977842120
b. Other income	20	45452643	24718434
Total Revenue		1656730424	1002560554
II. EXPENSES			
a. Cost of materials consumed	21	264867322	180113317
b. Purchases of stock-in-trade	22	1151786830	816153578
c. Changes in inventories of finished goods, work in progress and stock-in-trade	23	120203540	(86122884)
d. Employee benefits expenses	24	28592955	25333418
e. Finance costs	25	17656873	17348377
f. Depreciation expenses	9	5436350	4007371
g. Other expenses	26	54891270	35038412
Total Expenses		1643435140	991871589
III. Profit before exceptional and extraordinary items and tax(I-II)		13295284	10688965
IV. Exceptional/Extraordinary Items		-	-
V. Profit before tax (III - IV)		13295284	10688965
VI. Tax expense:			
a. Current tax		2713000	2949000
b. Deferred tax		(471963)	(415121)
c. Income tax for earlier year		0	(52351)
		2241037	2481528
VII. Profit for the year (V - VI)		11054247	8207437
VIII. Earning per equity share: (Face value of Rs 10/- each)			
(1) Basic		1.59	1.18
(2) Diluted		1.59	1.18
Notes forming part of the financial statements	1 to 45		
General corporate information and significant accounting policies	A-B		
As per our report of even date For Ashok Khasgiwala & Co. Chartered Accountants	For and on behalf of Board of Directors		
CA Avinash Baxi (Partner) M. No. : 079722 Place : Indore Dated : 30th May, 2017	Yogender Mohan Sharma Whole Time Director DIN: 03644480	Deepika Arora Director DIN: 07117491	
	CS Amit Jain Company Secretary	CA Kailash Agarwal Chief Financial Officer	

SARTHAK INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars	2016-17	2015-16
A. Cash flow from Operating activities		
a. Net Profit/ (Loss) before Tax & Extraordinary item	13295284	10688965
Adjustment for :		
Depreciation	5436350	4007371
Finance costs	17656873	17348377
Interest Received	(20713615)	(20528090)
Dividend Received	0	(117842)
Loss / (Profit) on sale of Fixed assets	(19452980)	(187368)
Provision for diminution in the value of investments	(151432)	2821
Loss on sale of Investments	138279	0
b. Operating profit/(loss) before working capital changes	(3791241)	11214234
Adjustment for :		
Trade and Other receivables	49171884	129354388
Inventories	117085508	(92337388)
Trade and other payables	(136872916)	7789631
c. Cash generated from Operations	25593235	56020865
Direct Taxes (paid)/Refund	(4096086)	(2769127)
d. Cash flow before Extraordinary item		
Extraordinary item	0	0
Net Cash Flow from Operating activities	21497149	53251738
B. Cash flow from investing activities		
Purchase of Tangible Fixed Assets	(33964342)	(40830553)
Sale of Tangible Fixed Assets	22159625	1418719
Purchase of Investment	(18419287)	0
Sale of Investments	49226	0
Interest Received	20917124	20896190
Dividend Received	0	117842
Change in Bank balances not considered as cash and cash Equivalent	3414021	(6431726)
Net Cash Flow from Investing activities	(5843633)	(24829528)
C. Cash flow from Financing activities		
Proceeds from Borrowings	74287165	83376000
Repayment of Borrowings	(85822207)	(83319111)
Finance costs	(17338808)	(16635940)
Net Cash flow from Financing activities	(28873850)	(16579051)
D. Net Increase / (Decrease)in Cash and Cash Equivalent	(13220334)	11843159
Cash and Cash Equivalent at the beginning of the year	22562344	10719185
Cash and Cash Equivalent at the end of the year	9342010	22562344
Net Increase / (Decrease)in Cash and Cash Equivalent	(13220334)	11843159

As per our report of even date
For Ashok Khasgiwala & Co.
Chartered Accountants

For and on behalf of Board of Directors

CA AVINASH BAXI
Partner
M. No. 079722

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Deepika Arora
Director
DIN: 07117491

Dated : 30th May, 2017
Place : Indore

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(A) GENERAL CORPORATE INFORMATION

Sarthak Industries Ltd. (Formerly known as Avanti LPG (India) Ltd. and initially known as Malav Metals Pvt. Ltd.) is a public limited company incorporated on 23.12.1982. The Company is engaged in manufacturing of LPG Cylinders at works situated at Industrial Area, Pithampur, Dist. Dhar (M.P.). The LPG Cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. and also to private companies. Apart from this, Company is also engaged in trading of agri-commodities, mining and mineral based industry on opportunity basis. The Company is listed with the Bombay Stock Exchange (BSE).

(B) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared as going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other recognized accounting policies and practices. The financial statements are presented in Indian Rupees.

(b) Use of Estimates

The preparation and presentation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

(c) Revenue Recognition

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis in accordance with the applicable accounting standards.

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Interest income is recognized on time proportion basis.

Dividend income on investments is accounted for as and when the right to receive the payment is established.

(d) Fixed Assets

(i) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction, development, net of tax and duty credit availed if any including any cost attributable for bringing the assets to its working condition for its intended use ; less depreciation and impairment, if any (except freehold land).

Assets under erection/installation/expenditure during construction and erection period are shown as "capital work in progress".

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

(ii) Depreciation/ Amortization

Depreciation on property, plant and equipment is provided in the manner as specified in Schedule II to the Companies Act, 2013. Depreciation of an asset is the difference between Original cost/revalued amount and the estimated residual value and is charged to the statement of profit and loss over the useful life of an asset on written down value method. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

Cost of lease hold land is amortized over the period of lease.

Depreciation on additions during the year is provided on pro rata basis with reference to date of addition/installation. Depreciation on assets disposed/discarded is charged up to the date on which such asset is sold.

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(e) Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets is ready for its intended use. Other borrowing costs are charged to statement of profit and loss.

(f) Investments

Investments that are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as non current investments. Current Investments are carried at lower of cost and fair value.

Non current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

(g) Valuation of Inventories

Inventories are valued at lower of cost and net realisable value on FIFO basis. Cost of inventory is generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods and goods in transit stated at cost. Scrap are valued at net realizable value.

(h) Foreign Currency Transactions

a. All transactions in foreign currency, are recorded at the rates of exchange prevailing on the date of transaction. Any gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.

b. Monetary items in the form of Loans, Current assets and Current liabilities in foreign currencies at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.

c. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

(i) Employee Benefits

(I) Post-employment benefit plans -

i) Defined Contribution Plan - Contributions to provident fund/family pension fund are charged to the statement of profit and loss.

ii) Defined Benefit Plan - The company has carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) liability as per actuarial valuation as at year end and actuarial gains/(losses) are recognized in full in the statement of profit and loss for the period in which they occur.

The obligation for leave encashment recognized as per actuarial valuation using Projected Unit Credit Method.

(II) Short term employment benefits -

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees renders the service. These benefits include compensated absences and performance incentives.

(j) Lease Accounting

As a Lessee

Leases, where risk and reward of ownership, are significantly with the Company are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating lease and lease rentals thereon are charged to the statement of profit and loss over the period of lease.

As a Lessor

The Company has given assets on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

(k) Taxes on Income

Provision for current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provision of the Income tax Act, 1961.

Deferred tax is recognized on timing differences. Being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

(l) Segment Accounting

(I) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risks and returns and the internal reporting systems. The various segments identified by the company comprise as under :

Name of Segment

LPG Cylinders - Manufacturing and repairing of LPG cylinders

Merchant Trading - Trading of various commodities, materials etc.

By products related each segment have been included in respective segment.

(II) Segment revenue, segment results, segment assets and segment liabilities include respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocable corporate cost. Assets and liabilities that can not be allocated are shown as unallocable corporate assets and liabilities respectively.

(m) Impairment of Assets

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(n) Provision, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but disclosed in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

(o) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information.

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
1,10,00,000 (Previous Year 1,10,00,000) Equity Share of Rs. 10 each		110000000		110000000
1,00,000 (Previous Year 1,00,000) Preference Share of Rs.100 each		10000000		10000000
Total		120000000		120000000
Issued, Subscribed and fully Paid				
69,68,850 (Previous Year 69,68,850) Equity Shares of Rs 10 Each fully paid up		69688500		69688500
Total		69688500		69688500

1.1 The reconciliation of the number of shares and amount outstanding is set out below:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at beginning of the year	6968850	69688500	6968850	69688500
Add: Shares issued during the year	-	-	-	-
Equity Shares at end of the year	6968850	69688500	6968850	69688500

1.2 Rights, preferences and restrictions attached to Equity shares : The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of Shareholders holding more than 5% shares in the Company :

Name of the Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No of shares held	% Held	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88	1385200	19.88
Promise Securities Pvt. Ltd.	400000	5.74	400000	5.74
Girish Kumar Pushkarlal Agarwal	511200	7.34	511200	7.34
Antarica Resource Ltd.	466540	6.69	466540	6.69
Manish Shakra	910000	13.06	910000	13.06
Mahakosh Papers Pvt. Ltd.	375000	5.38	375000	5.38

1.4 Equity shares allotted as fully paid-up (during 5 years preceding 31st March, 2017) including equity shares issued pursuant to contract without payment being received in cash : Pursuant to amalgamation of Gloryshine Property Developers Pvt Ltd (Transferor Company) into and with the company, approved by the shareholders of the company and sanctioned by Hon'ble High Court at Mumbai on 21st October 2011, the company has issued and allotted 14,00,000 equity shares of Rs. 10 each fully paid up on 5th December 2011, to the shareholders of transferor company for consideration otherwise than in cash.

1.5 During the period of five years immediately preceding the Balance Sheet date as at 31st March, 2017, the company has not allotted any shares as fully paid up by way of bonus shares or bought back any shares

NOTE 2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Capital Reserve				
Balance as at beginning of the year		4536358		4536358
Add: Addition during the year		0		0
Balance as at end of the year		4536358		4536358

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****Securities Premium Account**

Balance as at beginning of the year	267623752	267623752
Add : Received during the year	0	0
Balance as at end of the year	<u>267623752</u>	<u>267623752</u>

General Reserve

Balance as at beginning of the year	1648608	1648608
Add: Transferred from Profit & Loss Account	0	0
Balance as at end of the year	<u>1648608</u>	<u>1648608</u>

Surplus/(Deficit) in Statement of Profit and Loss

Balance as at beginning of the year	(32748025)	(40955462)
Add: Profit/(Loss) for the year	11054247	8207437
Balance as at end of the year	<u>(21693778)</u>	<u>(32748025)</u>

Total 252114940 241060693

NOTE 3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured		
Term Loans		
From Banks (Refer note (a) below)	21945722	0
Less : Current Maturity of Long term borrowings (Refer note 7)	<u>1520663</u>	<u>0</u>
	20425059	0
Unsecured		
From others (Refer note (b) below)		
a. Indore Development Authority (IDA)	0	2446207
Less : Current Maturity of Long term borrowings (Refer note 7)	<u>0</u>	<u>2446207</u>
	0	0
b. Inter Corporate Deposit (Refer note (c) below)	52341443	0
Total	<u><u>72766502</u></u>	<u><u>0</u></u>

Note :

a. During the year company has taken Term loan from ICICI Bank Ltd. which is secured by exclusive first charge on the immovable property situated at Flat no. 5AB, 20th Floor, Olive, 54/10 Debendra chandra dey road, Kolkata - 700015 (W.B.). Company has taken possession of the flat but registry of the same is yet to be executed.

The loan taken from ICICI Bank Ltd. is repayable as under:

Sanctioned amount Rs 2,30,59,200 outstanding 2,19,45,722 (Previous Year Rs. NIL) is repayable in 120 monthly installments (EMI) of Rs. 3,17,641 (including Interest) commencing from June 2016 and last installment is due in the month of May 2026. Rate of interest as at the year end 10.75% p.a. (Previous Year NIL).

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

b. Unsecured Loan taken from Indore Development Authority (IDA) was Rs. 3,12,56,130 and outstanding amount is Rs. NIL (Previous Year Rs. 24,46,207). Loan taken from IDA was repayable in 40 quarterly installments (EMI) of Rs. 12,71,480 (including interest) commencing from November 2006 and last installment was due on August 2016. Rate of interest 10.50% p.a. (Previous Year 10.50% p.a.).

c. Unsecured inter corporate deposit of Rs. 52341443 (Previous Year Rs. NIL) is repayable after 3 years from the date of receipt of loan i.e. March, 2017. Rate of interest @ 8% p.a. (Previous Year NIL).

NOTE 4. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee benefit (Refer note 32 for disclosure as per AS -15)	2001749	1857892
Total	2001749	1857892

NOTE 5. SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured		
Term Loans		
Working Capital Loan from Bank	0	83376000
Total	0	83376000

Note :

1. Short term working capital loan from HDFC Bank Ltd. Rs. NIL (Previous year Rs. 8,33,76,000) was secured against pledge of Stock in trade with HDFC Bank Ltd. as a continuing security and personal guarantee by others.

NOTE 6. TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Due to Micro and Small Enterprises	195465	314808
Due to others	345547082	535397129
Total	345742547	535711937

Note :

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 -

a. Trade Payables includes Rs. 1,95,465 (Previous Year 3,14,808) amount payable to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

b. The details of amount outstanding to Micro and Small Enterprises as identified based on the information available with the Company are as under :

Particulars	As at 31st March, 2017	As at 31st March, 2016
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid		
Interest payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-

NOTE 7. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Current Maturities of Long Term Borrowings (Refer note 3)	1520663	2446207
Interest accrued but not due on Borrowings	1572277	1254212
Other Payables		
Statutory Dues	1218390	2376453
Advances from Customers	50881019	130645
Security deposits	599906	599906
Creditors for Capital Expenses	2296192	0
Liabilities for Expenses	12001704	11124973
Total	70090151	17932396

NOTE 8. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee benefit (Refer note 32 for disclosure as per AS -15)	508850	321467
Total	508850	321467

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE 9. FIXED ASSETS

(Amount in ₹)

Name of the Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1st April, 16	Additions / Transferred during the year	Deductions	As at 31st March, 17	Up to 31st March, 16	For the year	Adjustment	Up to 31st March, 17	As at 31st March, 17	As at 31st March, 16
Tangible Assts										
Land :										
Free Hold	142555094 (142555094)	- -	2681040 -	139874054 (142555094)	- -	- -	- -	- -	139874054 (142555094)	142555094
Lease Hold	57833042 (40288336)	186413 (17544706)	- -	58019455 (57833042)	53608 (43712)	9896 (9896)	- -	63504 (53608)	57955951 (57779434)	57779434
Buildings	59373865 (56328918)	44147170 (3044947)	- -	103521035 (59373865)	19761448 (17774538)	3478854 (1986910)	- -	23240302 (19761448)	80280733 (39612417)	39612417
Plant & Machinery	36696186 (32948047)	1949880 (3748139)	- -	38646066 (36696186)	29310741 (28238482)	1245112 (1072259)	- 0	30555853 (29310741)	8090213 (7385445)	7385445
Furniture & Fixtures	587378 (587378)	- -	- -	587378 (587378)	509723 (474670)	20841 (35053)	- -	530564 (509723)	56814 (77655)	77655
Office Equipments	1478940 (1478940)	49000 -	- -	1527940 (1478940)	1380339 (1312055)	40159 (68284)	- -	1420498 (1380339)	107442 (98601)	98601
Vehicles	9720626 (17124030)	892836 -	785000 (7403404)	9828462 (9720626)	8362693 (13699777)	641488 (834969)	759395 (6172053)	8244786 (8362693)	1583676 (1357933)	1357933
Current Year	308245131	47225299	3466040	352004390	59378552	5436350	759395	64055507	287948883	248866579
(Previous Year)	291310743	24337792	7403404	308245131	61543234	4007371	6172053	59378552	248866579	

Note : 1. Lease hold land allotted by Indore Development Authority (IDA) to the company shown in fixed assets, possession of which have been handed over but lease deed of the same is yet to be executed.

2. Buildings additions during the year includes Flat purchased by the company for Rs. 40767478 during the year for which possession taken by the Company but registry of the same is yet to be executed (Previous year NIL).

3. Amount in () indicates figures of previous year.

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 10. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
A. Investment in Equity Instruments :		
I. Quoted (Other Than Trade)		
1953000 (Previous Year 1953000) Equity Shares of Ruchi Infrastructure Ltd.of Rs.1/- each fully paid up	470075	470075
5000 (Previous Year 5000) Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up	36000	36000
Nil (Previous Year 1600) Equity Shares of National Steel & Agro Industries Ltd.of Rs.10/- each fully paid up	0	65272
Less : Provision for diminution in value of investments	0	45272
	0	20000
100 (Previous Year 100) Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10/- each fully paid up	2400	2400
Less : Provision for diminution in value of investments	2140	1992
	260	408
108800 (Previous Year 108800) Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up	1022000	1022000
Nil (Previous Year 500) Equity shares of Kernex Micro Ltd. of Rs.10/- each fully paid up	0	122233
Less : Provision for diminution in value of investments	0	106308
	0	15925
	1528335	1564408
II. Unquoted (Other Than Trade)		
a. 1800 (Previous Year 1800) Equity shares of Vaishnavi Insurance Consultants Pvt. Ltd. of Rs. 5/- each fully paid up	9000	9000
<u>b. Investment in associate enterprise</u>		
2449284 (Previous Year Nil) Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up (refer note 31)	25270887	0
	25279887	9000
B. Investment in Partnership Firms		
Balance in Capital account of "Giriraj Buildcon"	461	461
	461	461
Total (A+B+C)	26808683	1573869

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

Aggregate Amount of Quoted investments	1530475	1717980
Aggregate Amount of Unquoted investments	25,279,887	9,000
Market Value of Quoted investments	9,465,970	15,271,613
Aggregate Provision for diminution in value of investments	2,140	153,572
Aggregate Amount of Unquoted investments- In Government Securities	-	-
Aggregate Amount of Unquoted investments- In Partnership Firm	461	461

NOTE 11. DEFERRED TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Assets		
Due to Depreciation difference on Fixed Assets	2928635	2559025
Other Timing Difference	775775	673422
Deferred Tax Assets/(Liabilities) (NET)	Total	Total
	3704410	3232447

NOTE 12. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured, considered good)		
Capital Advances	4570000	18965086
Security Deposits	30335767	30154707
Share Application Money	0	6851600
Others		
Advance Income Tax (net of provision for tax Rs. 19237000; Previous year Rs. 16524000)	4983408	3600322
Total	39889175	59571715

NOTE 13. OTHER NON-CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Others		
Interest accrued on deposits	0	111549
Balance with Bank in Deposit account having maturity more than 12 months		
Earmarked against credit facility	0	138000
Others	20000	2519608
(Refer note 16)	20000	2657608
Total	20000	2769157

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 14. INVENTORIES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(As valued and certified by the management)		
Raw Materials	18047419	14933287
Work in Progress	9791011	1506341
Finished Goods	6894181	3415502
Stock In Trade	4198452	136165341
Stores and Spares	2264370	2260470
Total	41195433	158280941

(Valued at lower of Cost and Net realizable value, except for scrap valued at net realizable value.)

Details of Raw Materials

H.R. Coil	8818090	11612865
Others	9229329	3320422
Total	18047419	14933287

Details of Work in Progress

Semi finished LPG Cylinders	9791011	1506341
Total	9791011	1506341

Details of Finished Goods

LPG Cylinders	6143336	1817275
Others	750845	1598227
Total	6894181	3415502

Details of Stock in Trade

Skimmed Milk Powder	0	136088501
Soyabean	4121612	0
Iron & Steel	76840	76840
Total	4198452	136165341

NOTE 15. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	40786014	62742516
Other trade receivables (Refer note 37)	53007494	106605815
Total	93793508	169348331

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 16. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Cash and Cash Equivalents		
i. Balances with Banks		
in Current Accounts	8482517	15795835
in Deposit Accounts with maturity up to 3 months	214967	6000000
ii. Cash on hand	644526	766509
	<hr/>	<hr/>
	9342010	22562344
b. Other Bank Balances		
In Deposit Accounts		
having maturity up to 3 months		
Earmarked against credit facility	15188919	665000
having maturity more than 3 months up to 12 months		
Earmarked against credit facility	2194504	15346000
Others	103164	2252000
	<hr/>	<hr/>
	17486587	18263000
having maturity more than 12 months	20000	2657608
Less : Shown under other non current assets (Refer note 13)	20000	2657608
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>
Total	26828597	40825344

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 17. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(Unsecured considered good)		
Others		
Security deposits	143000	143000
Loans and Advances to Employees	346657	284341
Balances with Government Authorities	1902683	8982431
Advance to Suppliers	300855	907764
Inter corporate deposits - others	222639393	200565585
Other Advances recoverable in cash or in kind for value to be received	51052162	39299750
Total	276384750	250182871

NOTE 18. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest accrued on fixed deposits with banks	267801	359761
Total	267801	359761

NOTE 19. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Sales of Products	1638438147	995552707
Sale of Services	1297876	1122542
Other Operating Revenues	10910221	11919874
	1650646244	1008595123
Less : Excise duty	39368463	30753003
Revenue from operations (net)	1611277781	977842120

Details of Sales of product

LPG Cylinders	335013133	260674372
Skimmed Milk Powder	77126250	104750857
Anik Spray	59251800	0
Chana	0	8586662
Iron & Steel	0	26933364
Edible Oils	205370030	120315278
Wheat	12236224	10249014
Ghee	22923162	227268750
Milk	0	223060500
Coal	15437500	0
Soyabean	891512255	0
Other	19567793	13713910
	1638438147	995552707

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 20. OTHER INCOME

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Interest Received	20713615	20528090
Dividend Received on long term investments	0	117842
Net Gain on Foreign Currency Transactions and Translations	342347	0
Other Non operating income		
Rent Received	3837740	3467788
Profit on sale of Fixed Assets	19453960	187368
Provision for diminution in the value investments written back	151432	0
Miscellaneous Income	953549	417346
Total	45452643	24718434

NOTE 21. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Raw Materials Consumed	264867322	180113317
Total	264867322	180113317
Raw Materials Consumed		
H.R.Coil	204392325	133942428
Others	60474997	46170887
Total	264867322	180113315

Raw Materials Consumed	FY 2016-17		FY 2015-16	
	Value	%	Value	%
Imported	0	0	0	0
Indigenous	264867322	100	180113315	100

NOTE 22. PURCHASES OF STOCK IN TRADE

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Purchases of traded goods	1151786830	816153578
Total	1151786830	816153578
Details of Purchases of Traded Goods		
Skimmed Milk Powder	0	139518501
Anik Spray	0	59126000
Edible Oils	205442945	120937968
Chana	0	8646680
Coal	14600630	0
Soyabean	895548655	0
Iron & Steel	0	27776340
Wheat	12239744	10330339
Ghee	22854987	227075000
Milk	0	222742750
Others	1099869	0
Total	1151786830	816153578

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Closing stocks		
Finished Goods	6894181	3415502
Work in Progress	9791011	1506341
Stock in Trade	4198452	136165341
	<u>20883644</u>	<u>141087184</u>
Less : Opening Stocks		
Finished Goods	3415502	4875126
Work in Progress	1506341	3748058
Stock in Trade	136165341	46341116
	<u>141087184</u>	<u>54964300</u>
Changes in Inventories	Total	(86122884)

NOTE 24. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Salaries and Wages	27807476	24714597
Contribution to Provident and other fund	604699	486520
Staff Welfare Expenses	180780	132301
Total	<u>28592955</u>	<u>25333418</u>

NOTE 25. FINANCE COSTS

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Interest Expenses	13881614	13525785
Other Borrowing costs	3775259	3822592
Total	<u>17656873</u>	<u>17348377</u>

SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 26. OTHER EXPENSES

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Power and Fuel	7202399	6154253
Stores, spares and consumables	6315916	6293243
Rent	1696409	1368946
Repairs to Machinery	406950	117408
Repairs to Buildings	210981	231344
Insurance	387017	516532
Rates & Taxes excluding taxes on income	2657151	3772593
Factory Expenses	250976	277996
Legal and Professional Charges	3648335	3807863
Travelling & Conveyance Expenses	2074155	677889
Vehicle Expenses	1318608	546299
Bad Debts w/off	19896558	0
Loss on Commodity Business	0	40811
Provision for diminution in the value of investments	0	2821
Net Loss on Foreign Currency Transactions and Translations	0	1864356
Loss on Sale of Investment	138279	0
Loss on Sales of Fixed Assets	980	0
Miscellaneous Expenses	8686556	9366058
Total	54891270	35038412

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****27 Contingent Liabilities and Commitments**

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
-------------	-------------------------	-------------------------

A. Contingent Liabilities

a) Estimated amount of claims against the Company not acknowledged

as debts in respect of:

- Sales Tax, CCI and other demand disputed in appeals

77689856

72934973

(Amount deposited Rs. 21279639 (Previous Year Rs. 20219919))

b) Corporate Guarantee given on behalf of others

NIL

NIL

B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 970000)

Rs. 2293425 (Previous Year Rs. 25817590 (net of advances of Rs. 14461366)).

28 Specified Bank Notes - Details of specified bank notes (SBN) held and transacted during the period from 8th November to 30th December 2016 are provided as under -

(Amt. in Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1283500	40147	1323647
(+) Permitted receipts	0	43404	43404
(+) Amount Withdrawal From Banks	0	1990000	1990000
(-) Permitted payments	0	1459709	1459709
(-) Amount deposited in Banks	1283500	0	1283500
Closing cash in hand as on 30.12.2016	0	613842	613842

29 The Company has been sanctioned non fund based credit facilities of Rs. 110000000 by Punjab National Bank Ltd. and Rs. 55000000 by IDBI Bank Ltd.. Further an overdraft facility of Rs. 5000000 is sanctioned by IDBI Bank Ltd. (overdraft amount availed - NIL). Non fund based facilities are secured by hypothecation of entire current assets of the Company present and future, and further secured by -

- Hypothecation charge over all movables assets, equipments and fixtures of the company located at the Company's plant at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- Lien on Term Deposit Receipts of Rs. 17383423 (Previous year Rs. 16149000).
- Equitable mortgage on Company's plant situated at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- Personal guarantee of others.

30 Leases : Operating Leases**Where Company is lessee**

The Company has taken various premises under cancellable operating leases with these are renewable on periodic basis at the option of both lessor and lessee. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs. 1696409 (Previous Year Rs.1368946). The company has not recognized any contingent rent as expense in the statement of profit and loss.

Where company is lessor

The assets given on cancellable operating leases by the Company are included in fixed assets. The lease rentals recognized as income in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit and loss. Initial direct costs are recognized immediately in the statement of Profit and loss. The company has not recognized any contingent rent as income in the statement of profit and loss.

The aggregate amount of operating lease income recognized in the Statement of Profit and Loss is Rs. 3837740 (Previous Year Rs. 3467788).

31 During the year company has been allotted 2449284 ordinary shares of SLR 10/- each by M/s. Paras Industries (Pvt) Limited, Colombo, Sri Lanka against remittance of total USD 375000 (Rs. 25270887) by the company.

32 Employee Retirement Benefit :**(A) Defined contribution plans**

In respect of defined contribution plans, an amount of Rs. 430767 (Previous Year: Rs. 388774) has been recognised in the statement of profit and loss for the year towards employer share of provident fund contribution.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(B) Defined benefit plans**

The employees gratuity is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognize each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
I. Change in Benefit Obligation	Rs.	Rs.
Liability at the beginning of the year	1804110	1704580
Interest Cost	114834	133602
Current Service Cost	138949	97459
Past Service Cost (Non Vested Benefit)	0	0
Past Service Cost (Vested Benefit)	0	0
Liability Transfer in	0	0
Liability transfer out	0	0
Benefit Paid	0	0
Actuarial (Gain)/Loss on obligations	(72349)	(131531)
Liability at the end of the year	1985544	1804110
II. Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	0	0
Expected Return on Plan Assets	0	0
Contributions by Employer	500000	0
Transfer from other company	0	0
Transfer to other company	0	0
Benefit Paid	0	0
Actuarial (Gain)/Loss on Plan Assets	0	0
Fair Value of Plan Assets at the end of the year	500000	0
Total Actuarial (Gain)/Loss To Be Recognized	(72349)	(131531)
III. Amount Recognized in the Balance Sheet		
Liability at the end of the year	1985544	1804110
Fair Value of Plan Assets at the end of the year	500000	0
Difference	1485544	1804110
Unrecognized Past Service Cost	0	0
Un recognized Transition Liability	0	0
Amount Recognized in the Balance Sheet	1485544	1804110
IV. Expenses Recognized in Profit and Loss A/c		
Current Service Cost	138949	97459
Interest Cost	114834	133602
Expected Return on Plan Assets	0	0
Past Service Cost (Non Vested Benefit) Recognized	0	0
Past Service Cost (Vested Benefit) Recognized	0	0
Recognition of Transition Liability	0	0
Actuarial (Gain)/Loss	(72349)	(131531)
Expense Recognized in P& L	181434	99530
V Assets Information		
Government of India Assets	0	0
Corporate Bonds	0	0
Special Deposits Scheme	0	0
Equity Shares of Listed Companies	0	0
Property	0	0
Other	0	0
Insurer Managed Funds	0	0
Total	0	0
VI. Balance Sheet Reconciliation		
Opening Net Liability	1804110	1704580
Expense as above	181434	99530
Employers Contribution	500000	0
Benefit Paid	0	0
Closing Net Liability	1485544	1804110
Employers Contribution	500000	0
Amount Recognized in Balance Sheet Gross	1985544	1804110
VII. Assumptions		
Discount Rate Current	7.20%	7.75%
Rate of Return on Plan Assets Current	7.50%	0.00%
Salary Escalation Current	5.00%	5.00%

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(ii) Expected contribution for defined benefit plan for the next financial year would be Rs. 10,00,000 (Previous Year Rs. 2,52,098).

(iii) Amounts recognized in current year and previous four years:

Experience adjustment					
Particulars	31 st March 2017	31 st March 2016	31 st March 2015	31 st March 2014	31 st March 2013
Defined Benefit Obligation	1485544	1804110	1704580	2117625	2119938
Fair Value of Plan Assets	500000	0	0	0	0
Surplus/ (Deficit) in plan	(985544)	(1804110)	(1704580)	(2117625)	(2119938)
Experience Adjustments on Plan Liabilities Loss / (Gain)	(132826)	(152771)	183304	(17474)	0
Experience Adjustments on Plan Assets (Loss) / Gain	0	0	0	0	0

(C) LEAVE ENCASHMENT

The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gain and losses are recognized in full in statement of Profit and Loss for the year in which they occur. Liability on account of leave encashment as at the year end Rs. 525055 (Previous Year Rs. 375249).

33 Earning Per Share (EPS) :-

Particulars	(Amount in ₹)	
	For the year 2016-17	For the year 2015-16
Net Profit after tax	11054247	8207437
Nominal Value of each equity share	10	10
Weighted average no. of shares	6968850	6968850
Basic and diluted earning per share	1.59	1.18

34 Payment to auditors (including service tax) :

Particulars	(Amount in ₹)	
	For the year 2016-17	For the year 2015-16
Statutory Audit Fees	172500	171750
Tax Audit Fees	57500	57000
Other Services	120910	37105
Cost Audit Fees	20000	20000
Reimbursement of Expenses	1860	1500

35 Particulars in respect of Investment in the Capital of Partnership firms :-

i) M/s Giriraj Buildcon	(Amount in ₹)			
	2016-17		2015-16	
Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss
Beejay Realtors Pvt. Ltd.	460	0.05%	460	0.05%
Sarthak Industries Ltd.	461	0.05%	461	0.05%
Ashok Kumar Jain	92000	10.00%	92000	10.00%
Kiran Jain	184000	20.00%	184000	20.00%
Arpit Realty Holding Pvt Ltd	30360	3.30%	30360	3.30%
Mamta Rathi	552000	60.00%	552000	60.00%
Ultratech Energy Ltd	60720	6.60%	60720	6.60%

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****36 Segment Reporting :**

	2016-17			(Amount in ₹)
	L.P.G. Cylinders	Merchant Trading	Other/ Unallocable	Total Amount
(a) Primary Segment - Business				
Segment Revenue	327120715	1284157066	45452643	1656730424
	<i>256677695</i>	<i>721164425</i>	<i>24718434</i>	<i>1002560554</i>
Segment Results (PBIT)	13478932	(1768440)	19241665	30952157
	<i>18924185</i>	<i>(6894332)</i>	<i>16007489</i>	<i>28037342</i>
Less : Finance Cost				17656873
				<i>17348377</i>
Profit before Tax				13295284
				<i>10688965</i>
Less : Tax Expenses				2241037
				<i>2481528</i>
Profit after Tax				11054247
				<i>8207437</i>
Segment Assets	145174401	40873325	626865513	812913239
	<i>107485819</i>	<i>280736372</i>	<i>561726694</i>	<i>949948885</i>
Segment Liability	79314148	114174438	297621213	491109799
	<i>62815571</i>	<i>191864613</i>	<i>384519507</i>	<i>639199691</i>
Segment fixed assets purchased/trfd. during the year	3984656	0	43240643	47225299
	<i>1126774</i>	<i>0</i>	<i>23211018</i>	<i>24337792</i>
Segment depreciation	3657772	10879	1767699	5436350
	<i>2014870</i>	<i>45684</i>	<i>1946816</i>	<i>4007370</i>

Previous year figures shown in italic.

(b) Secondary Segment - Geographical

The company's all operations are in India only.

Particulars	(Amount in ₹)	
	For the year 2016-17	For the year 2015-16
Domestic Revenue	1655591525	1002560554
Export Revenue	1138899	-
Total	1656730424	1002560554

37 Related Party Disclosure :**(A) Related parties and their relationship**

a. Key management personnel

Name	Designation
Mr. Yogender Mohan Sharma	Whole Time Director
CS Amit Jain	Company Secretary
CA Kailash Agarwal	Chief Financial Officer

b. Parties where control exists

Paras Industries Pvt. Ltd., Sri Lanka Associate Enterprise

c. Other Party

Giriraj Buildcon Company is a Partner in partnership firm

Related party relationship as identified by company and relied upon by auditor.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(B) Transactions with related parties for the year ended 31st March, 2017**

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Income :		
<u>Sales</u>		
Paras Industries Pvt. Ltd., Sri Lanka	1138899	-
Expenditure :		
<u>Remuneration</u>		
Mr. Yogender Mohan Sharma	864000	791990
CS Amit Jain	1042812	832800
CA Kailash Agarwal	1236200	1084147
Investment :		
Investment in ordinary shares of Paras Industries (Pvt.) Ltd., Sri Lanka	25270887	-

(C) Balances with related parties as at 31st March, 2017

Investment in partnership firm :		
Giriraj Buildcon	461	461
Trade Payables :		
Giriraj Buildcon	956	956
Trade Receivables :		
Paras Industries (Pvt.) Ltd., Sri Lanka	1093676	-

38 Pursuant to disclosure pertaining to section 186 (4) of the Companies Act 2013. (Amount in ₹)

Particulars	Rate of Interest	For the year 2016-17	For the year 2015-16
a. Particulars of Loan given and outstanding as at the year end:			
Anik Jicks Logistics Ltd	15.00%	34885765	28142744
Ruchi Reality Holdings Ltd	8.00%	187753628	172422841

b. Investments made :

The same are classified under respective heads for purposes as mentioned in their object clause (Refer Note 10).

39 Capital work-in-progress represents plant & machinery under installation of Rs. 1134129 (Previous Year Rs. Nil) and preoperative expenses incurred for mining project of Rs. 14937870 (Previous Year Rs. 14937870), yet to be capitalised.**40 Value of Imports on CIF basis in respect of**

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Purchase of Stock-in-Trade	14600630	21300369

41 Earning In foreign Currency

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
FOB value of Export	1064734	0

42 Stores and Spares Consumed -

(Amount in ₹)

Particulars	For the year 2016-17		For the year 2015-16	
	Value	%	Value	%
Imported	0	0	0	0
Indigenous	6315916	100	6293243	100

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****43 Financial and Derivatives Instruments -**

Derivative contract entered by the Company and outstanding as on 31.03.17

(i) Notional amount of Forward Contracts (Purchase) entered into by the company and outstanding as on 31.03.17 -

Particulars	FY 2016-17	FY 2015-16
Currency	USD	USD
No. of contracts	1	NIL
Amt. in Foreign Currency	75000	NIL
Equivalent amt. in INR	5017500	NIL

Above contract is for hedging purpose and not for speculation.

(ii) Foreign currency exposure which are not hedged as at balance sheet date -

Particulars	FY 2016-17	FY 2015-16
Currency	USD	USD
Amt. payable	143900.00	68412.60
Amt. receivable	16867.67	0
Net Amount Payable	127032.33	68412.60
Equivalent amt. in INR	8238682	4533019

44 Expenditure in foreign currency

(Amount in ₹)

Particulars	For the year 2016-17	For the year 2015-16
Expenditures in foreign currency - Interest and Bank Charges	NIL	115426

45 Previous year's figures are regrouped or rearranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date
For Ashok Khasgiwala & Co.
Chartered Accountants

For and on behalf of the Board of Directors

CA Avinash Baxi
(Partner)
M. No. 079722

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Deepika Arora |
Director
DIN: 07117491

Place : Indore
Date : 30th May, 2017

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer

Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sarthak Industries Limited (hereinafter referred to as "the Holding Company") and its associate comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the holding company and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the holding company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over

financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors' in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the holding company and its associate as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

The consolidated financial statements includes the holding company's share of Net Loss of Rs19,43,150 for the year ended 31st march 2017 , as considered in the consolidated financial statements , in respect of an associate ,whose financial statements have not been audited by us These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of associate and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and reports of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding company, as on 31st March 2017 taken on records by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st march, 2017 from being appointed as a director in terms of section 164(2) of the Act. The Associate company of the Holding Company is incorporated outside India hence requirements of section 143 (3) are not applicable to them.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". The associate company of the Holding Company is incorporated outside India hence requirements of section 143 (3) are not applicable to them.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 and Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to be best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Holding Company – refer note to the consolidated financial statements;
 - b. The holding company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding company.
 - d. The Company has provided requisite disclosures in the financial statements refer note 27 as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company.

**For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 0743C)**

Date : 30.05.2017
Place : Indore

**CA Avinash Baxi
(Partner)
M.No.079722**

Annexure A To the Independent Auditor's Report of even date on the Consolidated Financial Statements of Sarthak Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Sarthak Industries Limited ("the Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company which is a company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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. 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 the respective 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 Holding 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company , which is company incorporated in India, have, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering 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.

**For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 0743C)**

Date : 30.05.2017
Place : Indore

**CA Avinash Baxi
(Partner)
M.No.079722**

SARTHAK INDUSTRIES LIMITED
CIN: L99999MH1982PLC136834
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note	As at 31st March, 2017
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share capital	1	69688500
(b) Reserves and surplus	2	250171790
		319860290
(2) Non-Current Liabilities		
(a) Long-term borrowings	3	72766502
(b) Long-term provisions	4	2001749
		74768251
(3) Current Liabilities		
(a) Trade payables	5	345742547
(b) Other current liabilities	6	70090151
(c) Short-term provisions	7	508850
		416341548
TOTAL		810970089
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	8	287948883
(ii) Capital work-in-progress		16071999
(b) Non-current investments	9	24865533
(c) Deferred tax assets	10	3704410
(d) Long term loans and advances	11	39889175
(e) Other non-current assets	12	20000
		372500000
(2) Current Assets		
(a) Inventories	13	41195433
(b) Trade receivables	14	93793508
(c) Cash and bank balances	15	26828597
(d) Short-term loans and advances	16	276384750
(e) Other current assets	17	267801
		438470089
TOTAL		810970089
General corporate information and significant accounting policies	A-B	
Notes forming part of the financial statements	1 to 39	
As per our report of even date		For and on behalf of Board of Directors
For Ashok Khasgiwala & Co. Chartered Accountants CA Avinash Baxi Partner M. No. : 079722	Yogender Mohan Sharma Whole Time Director DIN : 03644480 CS Amit Jain Company Secretary	Deepika Arora Director DIN: 07117491 CA Kailash Agarwal Chief Financial Officer
Place : Indore		
Dated : 30th May, 2017		

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note	For the year 2016-17
I. INCOME		
a. Revenue from operations	18	1650646244
Less : Excise duty		39368463
Revenue from operations (Net)		1611277781
b. Other income	19	45452643
Total Revenue		1656730424
II. EXPENSES		
a. Cost of materials consumed	20	264867322
b. Purchases of stock-in-trade	21	1151786830
c. Changes in inventories of finished goods, work in progress and stock-in-trade	22	120203540
d. Employee benefits expense	23	28592955
e. Finance costs	24	17656873
f. Depreciation expenses	9	5436350
g. Other expenses	25	54891270
Total Expenses		1643435140
III. Profit before exceptional and extraordinary items and tax(I-II)		13295284
IV. Exceptional/Extraordinary Items		0
V. Profit before tax (III - IV)		13295284
VI. Tax expense:		
a. Current tax		2713000
b. Deferred tax		(471963)
c. Income tax for earlier year		0
		2241037
VII. Profit for the year (V - VI)		11054247
VIII. Share of Profit/(Loss) in respect of Investment in an Associate		(1943150)
XI. Profit for the year (V - VI)		9111097
X. Earning per equity share: (Face value of Rs 10/- each)		
(1) Basic		1.31
(2) Diluted		1.31
General corporate information and significant accounting policies	A-B	
Notes forming part of the financial statements	1 to 39	
As per our report of even date	For and on behalf of Board of Directors	
For Ashok Khasgiwala & Co. Chartered Accountants	Yogender Mohan Sharma Whole Time Director DIN : 03644480	Deepika Arora Director DIN: 07117491
CA Avinash Baxi Partner M. No. : 079722	CS Amit Jain Company Secretary	CA Kailash Agarwal Chief Financial Officer
Place : Indore Dated : 30th May, 2017		

SARTHAK INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	2016-17
A. Cash flow from Operating activities	
a. Net Profit/ (Loss) before Tax & Extraordinary item	13295284
Adjustment for :	
Depreciation	5436350
Finance costs	17656873
Interest Received	(20713615)
Dividend Received	0
Loss / (Profit) on sale of Fixed assets	(19452980)
Provision for diminution in the value of investments	(151432)
Loss on sale of Investments	138279
b. Operating profit/(loss) before working capital changes	(3791241)
Adjustment for :	
Trade and Other receivables	49171884
Inventories	117085508
Trade and other payables	(136872916)
c. Cash generated from Operations	25593235
Direct Taxes (paid)/Refund	(4096086)
d. Cash flow before Extraordinary item	
Extraordinary item	0
Net Cash Flow from Operating activities	21497149
B. Cash flow from investing activities	
Purchase of Tangible Fixed Assets	(33964342)
Sale of Tangible Fixed Assets	22159625
Purchase of Investment	(18419287)
Sale of Investments	49226
Interest Received	20917124
Dividend Received	0
Change in Bank balances not considered as cash and cash Equivalent	3414021
Net Cash Flow from Investing activities	(5843633)
C. Cash flow from Financing activities	
Proceeds from Borrowings	74287165
Repayment of Borrowings	(85822207)
Finance costs	(17338808)
Net Cash flow from Financing activities	(28873850)
D. Net Increase / (Decrease)in Cash and Cash Equivalent	(13220334)
Cash and Cash Equivalent at the beginning of the year	22562344
Cash and Cash Equivalent at the end of the year	9342010
Net Increase / (Decrease)in Cash and Cash Equivalent	(13220334)

As per our report of even date
For Ashok Khasgiwala & Co.
Chartered Accountants

For and on behalf of Board of Directors

CA AVINASH BAXI
Partner
M. No. 079722

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Deepika Arora
Director
DIN: 07117491

Dated : 30th May, 2017
Place : Indore

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(A) GENERAL CORPORATE INFORMATION

Sarthak Industries Ltd. and initially known as Malav Metals Pvt. Ltd.) is a public limited company incorporated on 23.12.1982. The Company is engaged in manufacturing of LPG Cylinders at works situated at Industrial Area, Pithampur, Dist. Dhar (M.P.). The LPG Cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. and also to private companies. Apart from this, Company is also engaged in trading of agri-commodities, mining and mineral based industry on opportunity basis. The Company is listed with the Bombay Stock Exchange (BSE). The associate company paras Industries Pvt. Ltd. is located in Sri Lanka.

(B) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared as going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other recognized accounting policies and practices. The financial statements are presented in Indian Rupees.

(b) Use of Estimates

The preparation and presentation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

(c) Revenue Recognition

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis in accordance with the applicable accounting standards.

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Interest income is recognized on time proportion basis.

Dividend income on investments is accounted for as and when the right to receive the payment is established.

(d) Fixed Assets

(i) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction, development, net of tax and duty credit availed if any including any cost attributable for bringing the assets to its working condition for its intended use ; less depreciation and impairment, if any (except freehold land).

Assets under erection/installation/expenditure during construction and erection period are shown as "capital work in progress".

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

(ii) Depreciation/ Amortization

Depreciation on property, plant and equipment is provided in the manner as specified in Schedule II to the Companies Act, 2013. Depreciation of an asset is the difference between Original cost/revalued amount and the estimated residual value and is charged to the statement of profit and loss over the useful life of an asset on written down value method. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

Cost of lease hold land is amortized over the period of lease.

Depreciation on additions during the year is provided on pro rata basis with reference to date of addition/installation. Depreciation on assets disposed/discarded is charged up to the date on which such asset is sold.

(e) Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets is ready for its intended use. Other borrowing costs are charged to statement of profit and loss.

(f) Investments

Investments that are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as non current investments. Current Investments are carried at lower of cost and fair value.

Non current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

(g) Valuation of Inventories

Inventories are valued at lower of cost and net realisable value on FIFO basis. Cost of inventory is generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods and goods in transit stated at cost. Scrap are valued at net realizable value.

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(h) Foreign Currency Transactions

- a. All transactions in foreign currency, are recorded at the rates of exchange prevailing on the date of transaction. Any gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.
- b. Monetary items in the form of Loans, Current assets and Current liabilities in foreign currencies at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of profit and loss.
- c. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.

(i) Employee Benefits

- (I) Post-employment benefit plans -
- i) Defined Contribution Plan - Contributions to provident fund/family pension fund are charged to statement of Profit and Loss.
 - ii) Defined Benefit Plan - The company has carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) liability as per actuarial valuation as at year end and actuarial gains/(losses) are recognized in full in the statement of profit and loss for the period in which they occur.

The obligation for leave encashment recognized as per actuarial valuation using Projected Unit Credit Method.

(II) Short term employment benefits -

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees renders the service. These benefits include compensated absences and performance incentives.

(j) Lease Accounting

As a Lessee

Leases, where risk and reward of ownership, are significantly with the Company are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating lease and lease rentals thereon are charged to the statement of profit and loss over the period of lease.

As a Lessor

The Company has given assets on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

(k) Taxes on Income

Provision for current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provision of the Income tax Act, 1961.

Deferred tax is recognized on timing differences. Being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

(l) Segment Accounting

(I) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risks and returns and the internal reporting systems. The various segments identified by the company comprise as under :

Name of Segment

LPG Cylinders - Manufacturing and repairing of LPG cylinders

Merchant Trading - Trading of various commodities, materials etc.

By products related each segment have been included in respective segment

(II) Segment revenue, segment results, segment assets and segment liabilities include respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocable corporate cost. Assets and liabilities that can not be allocated are shown as unallocable corporate assets and liabilities respectively.

(m) Impairment of Assets

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(n) Provision, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but disclosed in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements

(o) Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company are segregated based on the available information.

(p) Basis Of Consolidation

The Consolidated financial statements relate to Sarthak Industries Ltd (the Company) and its associate as under :

Entity	Basis of Consolidation	Country of Incorporation	% age of Shareholding of the Company		% age of Share in Profit / Loss
			2016-17	2015-16	2016-17
Paras Industries Pvt. Ltd.	Associate	Sri Lanka	23.17%	Nil	-17.58%

The consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India, including Accounting Standards AS- 23 as notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 as applicable on the following basis :

The financial statements of the Company and its associate have been consolidated using Equity method of accounting.

The excess of / shortfall in the cost to the Company of its investment over the Company's portion of equity as at the date of investment is recognized in as goodwill / capital reserve as a addition / deduction as the case may be from the value of investments .

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017

NOTE 1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31st March, 2017
Authorised	
1,10,00,000 Equity Share of Rs. 10 each	110000000
1,00,000 Preference Share of Rs.100 each	10000000
Total	120000000
Issued, Subscribed and fully Paid up	
69,68,850 Equity Shares of Rs 10 Each fully paid up	69688500
Total	69688500

1.1 The reconciliation of the number of shares and amount outstanding is set out below:

Particulars	As at 31st March, 2017	
	No. of Shares	Amount Rs.
Equity Shares at beginning of the year	6968850	69688500
Add: Shares issued during the year	0	-
Equity Shares at end of the year	6968850	69688500

1.2 Rights, preferences and restrictions attached to Equity shares : The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of Shareholders holding more than 5% shares in the Company :

Name of the Shareholders	As at 31st March, 2017	
	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88
Promise Securities Pvt. Ltd.	400000	5.74
Girish Kumar Pushkarlal Agarwal	511200	7.34
Antarica Resource Ltd.	466540	6.69
Manish Shakra	910000	13.06
Mahakosh Papers Pvt. Ltd.	375000	5.38

1.4 Equity shares allotted as fully paid-up (during 5 years preceding 31st March, 2017) including equity shares issued pursuant to contract without payment being received in cash Pursuant to amalgamation of Gloryshine Property Developers Pvt Ltd (Transferor Company) into and with the company, approved by the shareholders of the company and sanctioned by Hon'ble High Court at Mumbai on 21st October 2011, the company has issued and allotted 14,00,000 equity shares of Rs. 10 each fully paid up on 5th December 2011, to the shareholders of transferor company for consideration otherwise than in cash.

1.5 During the period of five years immediately preceding the Balance Sheet date as at 31st March, 2017, the company has not allotted any shares as fully paid up by way of bonus shares, or bought back any shares

NOTE 2. RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31st March, 2017
Capital Reserve	
Balance as at beginning of the year	4536358
Add: Addition during the year	0
Balance as at end of the year	4536358

SARTHAK INDUSTRIES LIMITED**CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED****31ST MARCH, 2017****Securities Premium Account**

Balance as at beginning of the year	267623752
Add : Received during the year	0
Balance as at end of the year	<u>267623752</u>

General Reserve

Balance as at beginning of the year	1648608
Add: Transferred from Profit & Loss Account	0
Balance as at end of the year	<u>1648608</u>

Surplus/(Deficit) in Statement of Profit and Loss

Balance as at beginning of the year	(32748025)
Add: Profit/(Loss) for the year	9111097
Balance as at end of the year	<u>(23636928)</u>

Total	<u><u>250171790</u></u>
--------------	-------------------------

NOTE 3. LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31st March, 2017
Secured	
Term Loans	
From Banks (Refer note (a) below)	21945722
Less : Current Maturity of Long term borrowings (Refer note 6)	<u>1520663</u>
	20425059
Unsecured	
Inter Corporate Deposit	52341443
Total	<u><u>72766502</u></u>

Note :

a. During the year company has taken Term loan from ICICI Bank Ltd. which is secured by exclusive first charge on the immovable property situated at Flat no. 5AB, 20th Floor, Olive, 54/10 Debendra chandra dey road, Kolkata - 700015 (W.B.). Company has taken possession of the flat but registry of the same is yet to be executed.

The loan taken from ICICI Bank Ltd. is repayable as under:

Sanctioned amount Rs 2,30,59,200 outstanding 2,19,46,766 is repayable in 120 monthly installments (EMI) of Rs. 3,17,641 (including Interest) commencing from June 2016 and last installment is due in the month of May 2026. Rate of interest as at the year end 10.75% p.a.

b. Unsecured inter corporate deposit of Rs. 52341443 is repayable after 3 years from the date of receipt of loan i.e. March, 2017. Rate of interest @ 8% p.a.

NOTE 4. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2017
Provision for Employee benefit (Refer note 30 for disclosure as per AS -15)	2001749
Total	<u><u>2001749</u></u>

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017
NOTE 5. TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31st March, 2017
Due to Micro and Small Enterprises	195465
Due to others	345547082
Total	<u>345742547</u>

NOTE 6. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2017
Current Maturities of Long Term Borrowings (Refer note 3)	1520663
Interest accrued but not due on Borrowings	99220
Other Payables	
Statutory Dues	1218390
Advances from Customers	50881019
Security deposits	599906
Creditors for capital Expenses	2296192
Liabilities for Expenses	13474761
Total	<u>70090151</u>

NOTE 7. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2017
Provision for Employee benefit (Refer note 30 for disclosure as per AS -15)	508850
Total	<u>508850</u>

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE 8. FIXED ASSETS

(Amount in ₹)

Name of the Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 1st April, 16	Additions / Transferred during the year	Deductions	As at 31st March,17	Up to 31st March,16	For the year	Adjustment	Up to 31st March,17	As at 31st March,17
Tangible Assts									
Land :									
Free Hold	142555094	-	2681040	139874054	-	-	-	-	139874054
Lease Hold	57833042	186413	-	58019455	53608	9896	-	63504	57955951
Buildings	59373865	44147170	-	103521035	19761448	3478854	-	23240302	80280733
Plant & Machinery	36696186	1949880	-	38646066	29310741	1245112	-	30555853	8090213
Furniture & Fixtures	587378	-	-	587378	509723	20841	-	530564	56814
Office Equipments	1478940	49000	-	1527940	1380339	40159	-	1420498	107442
Vehicles	9720626	892836	785000	9828462	8362693	641488	759395	8244786	1583676
Current Year	308245131	47225299	3466040	352004390	59378552	5436350	759395	64055507	287948883

Note :1. Lease hold land allotted by Indore Development Authority (IDA) to the company shown in fixed assets, possession of which have been handed over but lease deed of the same is yet to be executed.

2. Buildings additions during the year includes Flat purchased by the company for Rs. 3,99,67,180 during the year for which possession taken by the Company but registry of the same is yet to be executed.

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017

NOTE 9. NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at 31st March, 2017
A. Investment in Equity Instruments :	
I. Quoted (Other Than Trade)	
1953000 Equity Shares of Ruchi Infrastructure Ltd. of Rs.1/- each fully paid up	470075
5000 Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up	36000
100 Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10/- each fully paid up	2400
Less : Provision for diminution in value of investments	2140
	<u>260</u>
108800 Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up	1022000
Total (A+B+C)	<u>1528335</u>
II. Unquoted (Other Than Trade)	
1800 Equity shares of Vaishnavi Insurance Consultants Pvt. Ltd. of Rs. 5/- each fully paid up	9000
	<u>9000</u>
III. Investment in Associates - Unquoted (Other Than Trade)	
2449284 Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up	16990061
Add - Goodwill	8280826
	<u>25270887</u>
Add - Share of profit /(Loss) from associate during the year	(1943150)
	<u>23327737</u>
	<u>23327737</u>
C. Investment in Partnership Firms	
Balance in Capital account of "Giriraj Buildcon"	461
	<u>461</u>
Total (A+B+C)	<u><u>24865533</u></u>
Aggregate Amount of Quoted investments	1530475
Aggregate Amount of Unquoted investments	23336737
Market Value of Quoted investments	9465970
Aggregate Provision for diminution in value of investments	2140
Aggregate Amount of Unquoted investments- In Partnership Firm	461

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017
NOTE 10. DEFERRED TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31st March, 2017
Deferred Tax Assets	
Due to Depreciation difference on Fixed Assets	2928635
Other Timing Difference	775775
Deferred Tax Assets/(Liabilities) (Net)	Total <u><u>3704410</u></u>

NOTE 11. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31st March, 2017
(Unsecured, considered good)	
Capital Advances	4570000
Security Deposits	30335767
Others	
Advance Income Tax (net of provision for tax Rs.19237000)	4983408
	Total <u><u>39889175</u></u>

NOTE 12. OTHER NON-CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2017
Balance with Bank in Deposit account having maturity more than 12 months	
Earmarked against credit facility	0
Others	20000
(Refer note 15)	20000
	Total <u><u>20000</u></u>

NOTE 13. INVENTORIES

(Amount in ₹)

Particulars	As at 31st March, 2017
Raw Materials	18047419
Work in Progress	9791011
Finished Goods	6894181
Stock In Trade	4198452
Stores and Spares	2264370
(Valued at lower of Cost or Net realizable value, except for scrap valued at net realizable value.)	Total <u><u>41195433</u></u>

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017

Details of Raw Materials

H.R. Coil	8818090
Others	9229329
Total	18047419

Details of Work in Progress

Semi finished LPG Cylinders	9791011
Total	9791011

Details of Finished Goods

LPG Cylinders	6143336
Others	750845
Total	6894181

Details of Stock in Trade

Skimmed Milk Powder	4121612
Iron & Steel	76840
Total	4198452

NOTE 14. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31st March, 2017
(Unsecured, considered good)	
Outstanding for a period exceeding six months from the date they are due for payment	40786014
Other trade receivables	53007494
Total	93793508

NOTE 15. CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at 31st March, 2017
a. Cash and Cash Equivalents	
i. Balances with Banks	
in Current Accounts	8482517
in Deposit Accounts with maturity up to 3 months	214967
ii. Cash on hand	644526
	9342010
b. Other Bank Balances	
In Deposit Accounts	
in Deposit Accounts with maturity up to 3 months	
Earmarked against credit facility	15188919
having maturity more than 3 months up to 12 months	
Earmarked against credit facility	2194504
Others	103164
	17486587
having maturity more than 12 months	20000
Less : Shown under other non current assets (Refer note 12)	20000
	0
Total	26828597

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017

NOTE 16. SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at 31st March, 2017
(Unsecured considered good)	
Others	
Security deposits	143000
Loans and Advances to Employees	346657
Balances with Government Authorities	1902683
Advance to Suppliers	300855
Inter corporate deposits - others	222639393
Other Advances recoverable in cash or in kind for value to be received	51052162
Total	<u>276384750</u>

NOTE 17. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2017
Interest accrued on fixed deposits with banks	267801
Total	<u>267801</u>

NOTE 18. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year 2016 17
Sales of Products	1638438147
Sale of Services	1297876
Other Operating Revenues	10910221
	<u>1650646244</u>
Less : Excise duty	39368463
Revenue from operations (net)	<u>1611277781</u>

Details of Sales of product

LPG Cylinders	335013133
Skimmed Milk Powder	77126250
Anik Spray	59251800
Edible Oils	205370030
Wheat	12236224
Ghee	22923162
Coal	15437500
Soyabean	891512255
Other	19567793
	<u>1638438147</u>

SARTHAK INDUSTRIES LIMITED
CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2017

NOTE 19. OTHER INCOME

(Amount in ₹)

Particulars	For the year 2016 17
Interest Received	20713615
Net Gain on Foreign Currency Transactions and Translations	342347
Other Non operating income	
Rent Received	3837740
Profit on sale of Fixed Assets	19453960
Provision for diminution in the value investments written back	151432
Miscellaneous Income	953549
Total	<u><u>45452643</u></u>

NOTE 20. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	For the year 2016 17
Raw Materials Consumed	264867322
Total	<u><u>264867322</u></u>
Raw Materials Consumed	
H.R.Coil	204392325
Others	60474997
Total	<u><u>264867322</u></u>

	FY 2016-17	
	Value	%
Raw Materials Consumed		
Imported	0	0
Indigenous	264867322	100%

NOTE 21. PURCHASES OF STOCK IN TRADE

(Amount in ₹)

Particulars	For the year 2016 17
Purchases of traded goods	1151786830
Total	<u><u>1151786830</u></u>
Details of Purchases of Traded Goods	
Edible Oils	205442945
Coal	14600630
Soyabean	895548655
Wheat	12239744
Ghee	22854987
Others	1099869
Total	<u><u>1151786830</u></u>

SARTHAK INDUSTRIES LIMITED

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH, 2017

NOTE 22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in ₹)

Particulars		For the year 2016 17
Closing stocks		
Finished Goods	6894181	
Work in Progress	9791011	
Stock in Trade	4198452	
		20883644
Less : Opening Stocks		
Finished Goods	3415502	
Work in Progress	1506341	
Stock in Trade	136165341	
		141087184
Changes in Inventories	Total	120203540

NOTE 23. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars		For the year 2016 17
Salaries and Wages		27807476
Contribution to Provident and other fund		604699
Staff Welfare Expenses		180780
	Total	28592955

NOTE 24. FINANCE COSTS

(Amount in ₹)

Particulars		For the year 2016 17
Interest Expenses		13881614
Other Borrowing costs		3775259
	Total	17656873

NOTE 25. OTHER EXPENSES

(Amount in ₹)

Particulars		For the year 2016 17
Power and Fuel		7202399
Stores, spares and consumables		6315916
Rent		1696409
Repairs to Machinery		406950
Repairs to Buildings		210981
Insurance		387017
Rates & Taxes excluding taxes on income		2657151
Factory Expenses		250976
Legal and Professional Charges		3648335
Travelling & Conveyance Expenses		2074155
Vehicle Expenses		1318608
Bad Debts		19896558
Loss on Sale of Shares		138279
Loss on Sales of Fixed Assets		980
Miscellaneous Expenses		8686556
	Total	54891270

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

26 Contingent Liabilities and Commitments

(Amount in ₹)

Particulars	For the year 2016-17
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A. Contingent Liabilities

- a) Estimated amount of claims against the Company not acknowledged as debts in respect of:
- Sales Tax, CCI and other demand disputed in appeals 77689856
 (Amount deposited Rs. 21279639)

B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 970000) Rs. 2293425.

27 Specified Bank Notes - Details of specified bank notes (SBN) held and transacted during the period from 8th November to 30th December 2016 are provided as under -

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1283500	40147	1323647
(+) Permitted receipts	0	43404	43404
(+) Amount Withdrawal From Banks	0	1990000	1990000
(-) Permitted payments	0	1459709	1459709
(-) Amount deposited in Banks	1283500	0	1283500
Closing cash in hand as on 30.12.2016	0	613842	613842

28 The Company has been sanctioned non fund based credit facilities of Rs. 110000000 by Punjab National Bank Ltd. and Rs. 55000000 by IDBI Bank Ltd.. Further an overdraft facility of Rs. 5000000 is sanctioned by IDBI Bank Ltd. (overdraft amount availed - NIL). Non fund based facilities are secured by hypothecation of entire current assets of the Company present and future, and further secured by -

- Hypothecation charge over all movables assets, equipments and fixtures of the company located at the Company's plant at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- Lien on Term Deposit Receipts of Rs. 17383423 .
- Equitable mortgage on Company's plant situated at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- Personal guarantee of others.

**29 Leases : Operating Leases
 Where Company is lessee**

The Company has taken various premises under cancellable operating leases with these are renewable on periodic basis at the option of both lessor and lessee. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs. 1696409. The company has not recognized any contingent rent as expense in the statement of profit and loss.

Where company is lessor

The assets given on cancellable operating leases by the Company are included in fixed assets. The lease rentals recognized as income in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit and loss. Initial direct costs are recognized immediately in the statement of Profit and loss. The company has not recognized any contingent rent as income in the statement of profit and loss. The aggregate amount of operating lease income recognized in the Statement of Profit and Loss is Rs. 3837740 .

**30 Employee Retirement Benefit :
 (A) Defined contribution plans**

In respect of defined contribution plans, an amount of Rs. 430767 has been recognised in the statement of profit and loss for the year towards employer share of provident fund contribution.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****(B) Defined benefit plans**

The employees gratuity is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognize each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(Amount in ₹)

Particulars	For the year 2016-17
I. Change in Benefit Obligation	Rs.
Liability at the beginning of the year	1804110
Interest Cost	114834
Current Service Cost	138949
Past Service Cost (Non Vested Benefit)	0
Past Service Cost (Vested Benefit)	0
Liability Transfer in	0
Liability transfer out	0
Benefit Paid	0
Actuarial (Gain)/Loss on obligations	(72349)
Liability at the end of the year	1985544
II. Change in Fair value of Plan Assets	
Fair Value of Plan Assets at the beginning of the year	0
Expected Return on Plan Assets	0
Contributions by Employer	500000
Transfer from other company	0
Transfer to other company	0
Benefit Paid	0
Actuarial (Gain)/Loss on Plan Assets	0
Fair Value of Plan Assets at the end of the year	500000
Total Actuarial (Gain)/Loss To Be Recognized	(72349)
III. Amount Recognized in the Balance Sheet	
Liability at the end of the year	1985544
Fair Value of Plan Assets at the end of the year	500000
Difference	1485544
Unrecognized Past Service Cost	0
Un recognized Transition Liability	0
Amount Recognized in the Balance Sheet	1485544
IV. Expenses Recognized in Profit and Loss A/c	
Current Service Cost	138949
Interest Cost	114834
Expected Return on Plan Assets	0
Past Service Cost (Non Vested Benefit) Recognized	0
Past Service Cost (Vested Benefit) Recognized	0
Recognition of Transition Liability	0
Actuarial (Gain)/Loss	(72349)
Expense Recognized in P& L	181434
V. Balance Sheet Reconciliation	
Opening Net Liability	1804110
Expense as above	181434
Employers Contribution	500000
Benefit Paid	0
Closing Net Liability	1485544
Employers Contribution	500000
Amount Recognized in Balance Sheet Gross	1985544
VI. Assumptions	
Discount Rate Current	7.20%
Rate of Return on Plan Assets Current	7.50%
Salary Escalation Current	5.00%

(ii) Expected contribution for defined benefit plan for the next financial year would be Rs. 10,00,000

(iii) Amounts recognized in current year

Particulars	(Amount in ₹)
Defined Benefit Obligation	1485544
Fair Value of Plan Assets	500000
Surplus/ (Deficit) in plan	(985544)
Experience Adjustments on Plan Liabilities	(132826)
Loss / (Gain)	0
Experience Adjustments on Plan Assets (Loss) / Gain	0

(C) LEAVE ENCASHMENT

The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gain and losses are recognized in full in statement of Profit and Loss for the year in which they occur. Liability on account of leave encashment as at the year end Rs. 525055

SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

31 Earning Per Share (EPS) :-

(Amount in ₹)

Particulars	For the year 2016-17
Net Profit after tax	9111097
Nominal Value of each equity share	10
Weighted average no. of shares	6968850
Basic and diluted earning per share	1.31

32 Payment to auditors (including service tax) :

(Amount in ₹)

Particulars	For the year 2016-17
Statutory Audit Fees	172500
Tax Audit Fees	57500
Other Services	120910
Cost Audit Fees	20000
Reimbursement of Expenses	1860

33 Particulars in respect of Investment in the Capital of Partnership firms :-

i) M/s Giriraj Buildcon

2016-17

Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss
Beejay Realtors Pvt. Ltd.	460	0.05%
Sarthak Industries Ltd.	461	0.05%
Ashok Kumar Jain	92000	10.00%
Kiran Jain	184000	20.00%
Arpit Realty Holding Pvt Ltd	30360	3.30%
Mamta Rathi	552000	60.00%
Ultratech Energy Ltd	60720	6.60%

34 Segment Reporting :

2016-17

(Amount in ₹)

	L.P.G. Cylinders	Merchant Trading	Other/ Unallocable	Total Amount
(a) Primary Segment - Business				
Segment Revenue	327120715	1284157066	45452643	1656730424
Segment Results (PBIT)	13478932	(1768440)	19241665	30952157
Less : Finance Cost				17656873
Profit before Tax				13295284
Less : Tax Expenses				2241037
Profit after Tax				11054247
Share of Profit/(Loss) in respect of Investment in an Associate				(1943150)
Profit for the year				9111097
Segment Assets	145174401	40873325	624922363	810970089
Segment Liability	79314148	114174438	297621213	491109799
Segment fixed assets purchased/trfd. during t	3984656	0	43240643	47225299
Segment depreciation	3657772	10879	1767699	5436350

(b) Secondary Segment - Geographical

The company's all operations are in India only.

(Amount in ₹)

Particulars	For the year 2016-17
Domestic Revenue	1655591525
Export Revenue	1138899
Total	1656730424

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017****35 Related Party Disclosure :****(A) Related parties and their relationship**

a. Key management personnel

Name	Designation
Mr. Yogender Mohan Sharma	Whole Time Director
CS Amit Jain	Company Secretary
CA Kailash Agarwal	Chief Financial Officer

b. Parties where control exists

Paras Industries Pvt. Ltd., Sri Lanka Associate Enterprise

c. Other Party

Giriraj Buildcon Company is a Partner in partnership firm

Related party relationship as identified by company and relied upon by auditor.

(B) Transactions with related parties for the year ended 31st March, 2017

(Amount in ₹)

Particulars	For the year 2016-17
Income :	
<u>Sales</u>	
Paras Industries Pvt. Ltd., Sri Lanka	1138899
Expenditure :	
<u>Remuneration</u>	
Mr. Yogender Mohan Sharma	864000
CS Amit Jain	1042812
CA Kailash Agarwal	1236200
Investment :	
Investment in ordinary shares of Paras Industries (Pvt.) Ltd., Sri Lanka	25270887

(C) Balances with related parties as at 31st March, 2017

Investment in partnership firm :	
Giriraj Buildcon	461
Trade Payables :	
Giriraj Buildcon	956

36 Pursuant to disclosure pertaining to section 186 (4) of the Companies Act 2013

(Amount in ₹)

Particulars	Rate of Interest	For the year 2016-17
a. Particulars of Loan given and outstanding as at the year end:		
Anik Jicks Logistics Ltd	15.00%	34885765
Ruchi Reality Holdings Ltd	8.00%	187753628

b. Investments made :

The same are classified under respective heads for purposes as mentioned in their object clause (Refer Note 9)

37 Capital work-in-progress represents plant & machinery under installation of Rs. 1134129 and preoperative expenses incurred for mining project of Rs. 14937870, yet to be capitalised.

38 Financial and Derivatives Instruments -

Derivative contract entered by the Company and outstanding as on 31.03.17:

(i) Notional amount of Forward Contracts (Purchase) entered into by the company and outstanding as on 31.03.17

Particulars	FY 2016-17
Currency	USD
No. of contracts	1
Amt. in Foreign Currency	75000
Equivalent amt. in INR	5017500

Above contract is for hedging purpose and not for speculation.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

(ii) Foreign currency exposure which are not hedged as at balance sheet date .

Particulars	FY 2016-17
Currency	USD
Amt. payable	143900.00
Amt. receivable	16867.67
Net Amount	127032.33
Amount in INR	8238682

39 Previous Year's figures are not given as this is first year of consolidation.

**As per our report of even date
For Ashok Khasgiwala & Co.
Chartered Accountants**

For and on behalf of the Board of Directors

**CA Avinash Baxi
(Partner)
M. No. 079722**

**Yogender Mohan Sharma
Whole Time Director
DIN: 3644480**

**Deepika Arora
Director
DIN : 07117491**

**Place : Indore
Date : 30th May, 2017**

**CS Amit Jain
Company Secretary**

**CA Kailash Agarwal
Chief Financial Officer**