

भारतीय मानक ब्यूरो



मानक: पञ्चप्रदर्शकः

BUREAU OF INDIAN STANDARDS

(An ISO 9001 Company)

IS / ISO 9001



QMS



**SARTHAK INDUSTRIES LIMITED**

**29<sup>th</sup> Annual Report  
2012-13**

<b>BOARD OF DIRECTORS</b>	: Mr. Virendra Kumar Gupta Executive Director  Mr. Udesb Dassani Director  Mr. Vijay Rathi Director  Mr. Sartajsing Chhabra Director
<b>COMPANY SECRETARY</b>	: Mr. Amit Jain
<b>BANKERS</b>	: Punjab National Bank IDBI Bank Ltd.
<b>REGISTERED OFFICE</b>	: 302, Devkrupa Building, 28, Raichur Street, MUMBAI-400009 (MH)
<b>CORPORATE OFFICE</b>	: 10/1, South Tukoganj, Alumina Tower, INDORE-452001(M.P.)
<b>WORKS</b>	: LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.)
<b>AUDITORS</b>	: M/s Ashok Khasgiwala & Co., Chartered Accountants 317, Chetak Centre Annex, INDORE-452001(M.P.)
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	: M/s Sarthak Global Limited 170/10, Film Colony, R.N.T. Marg, INDORE-452001 (M.P.)
<b>STOCK EXCHANGE LISTING</b>	: The Bombay Stock Exchange Ltd. The Madhya Pradesh Stock Exchange Ltd.

**NOTICE**

NOTICE is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of **Sarthak Industries Limited** will be held at 302, Devkrupa Building, 28, Raichur Street, Mumbai (MH) - 400009 on Thursday, the 26<sup>th</sup> September, 2013 at 12.30 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013 together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Rathi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of the Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Virendra Kumar Gupta as an Executive Director of the Company for a period of 5 years with effect from 2<sup>nd</sup> January, 2013 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as “ the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

**TENURE:** 5 (five) years with effect from 02<sup>nd</sup> January, 2013.

**SALARY:**

**Basic:** Rs. 45,000/- per month.

**House Rent allowance:** Rs.15,000/- per month.

**Conveyance allowance:** Rs. 10,000/- per month.

**Other allowance:** Rs. 5,000/- per month.

**PROVIDENT FUND:** Company's contribution towards provident fund as per the rules of the Company for the time being in force.

**MEDICAL REIMBURSEMENT:** Reimbursement of expenses incurred for self and family subject to the ceiling of 6 months' salary in a year.

**LEAVE TRAVEL CONCESSION:** Reimbursement of expenses incurred for self and family once in a year in accordance with the rules of the Company.

**BONUS, GRATUITY & LEAVE ENCASHMENT:** As per rules of the Company and subject to provisions of respective statutory enactment.

**SITTING FEES:** Mr. Virendra Kumar Gupta shall not be entitled to any sitting fees.

**RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 for that year, which will be payable to him as minimum remuneration for that year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to increase the salary with an annual increment upto Rs. 10,000/- (Rupees Ten Thousand only) per month, from time to time during the tenure of said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the then managerial personnel taken together, as laid down in the Companies Act, 1956, read with Schedule XIII thereto"

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to decide break up of the remuneration within the above said maximum permissible limit and in order to give effect to the foregoing resolution or as may be otherwise considered by it to be in the best interest of the Company.

By order of the Board of Directors

Place: Indore  
Dated: 31<sup>st</sup> August, 2013

(V.K. GUPTA)  
Executive Director

**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. Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2013 to 26<sup>th</sup> September, 2013 (both days inclusive).
3. An Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 (the "Act") in respect of item no. 4 of the notice set out above, is annexed hereto
4. 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.
5. 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.

**Regd. Office:**

Office No. 302,  
Devkrupa Building,  
28, Raichur Street,  
Mumbai-400009 (MH)

By order of the Board of Directors

Place: Indore  
Dated: 31<sup>st</sup> August, 2013

**(V.K. GUPTA)**  
Executive Director

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4:**

The Board of Directors of the Company re-appointed Mr. Virendra Kumar Gupta as an Executive Director of the Company with effect from 02<sup>nd</sup> January, 2013 for a period of 5 years at their meeting held on 12<sup>th</sup> November, 2012, subject to the approval of members in General Meeting, on the terms and conditions mentioned in notice. Mr. Virendra Kumar Gupta is associated with the Company since last 18 years and he has contributed to a great extent for the success of the Company. His devotion, vision, skill and experience are essential for the growth of the Company.

The re-appointment of Mr. Virendra Kumar, as an Executive Director of the Company is in accordance with the provisions of Companies Act, 1956 read with Schedule XIII thereto and requires approval of the members of the Company in General Meeting.

The Board of Directors accordingly recommends the special resolution set out at Item No. 4 of the accompanying notice for the approval of the members of the Company.

None of the Directors of the Company except Mr. Virendra Kumar Gupta is concerned or interested in the said resolution.

By order of the Board of Directors

Place: Indore  
Dated: 31<sup>st</sup> August, 2013

**(V.K.GUPTA)**  
Executive Director

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting 29<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL RESULTS****(Rs. in Lacs)**

<b>Particulars</b>	<b>2012-13 (01.04.2012-31.03.2013)</b>	<b>2011-12 (01.07.11-31.03.12)</b>
Sales and other Income	11,134.24	12,571.14
Gross Profit	152.7	133.32
Depreciation	57.54	48.19
Profit before tax	95.16	85.13
Provision for Taxation for the year	30.01	32.51
Profit after Taxation	65.15	52.62
Balance brought forward from previous year	793.21	740.59
Amount available for appropriation	858.36	793.21
<b>APPROPRIATION</b>		
Amount Carried to Balance sheet	858.36	793.21

**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.

**OPERATIONS**

During the year under review, Sales and Other Income of the Company stood at Rs. 11,134.24 Lacs showing decreasing trend over the previous year but Profit before tax has increased by 11.78% at Rs. 95.16 Lacs and Net Profit also increased by 23.81% at Rs. 65.15 as compared to previous year. Your Directors are hopeful that in the coming years, the profitability of the Company will increase.

**PUBLIC DEPOSITS**

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

**INSURANCE**

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

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as per section 217(1)(e) read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the annexure forming part of this report.

## **PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee covered under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

## **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 employees in maintaining cordial relations.

## **CORPORATE GOVERNANCE**

Pursuant to clause 49 of the listing agreements with the stock exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' certificate regarding compliance of conditions of corporate governance are made a part of the annual report.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statement for the period under review. Pursuant to section 217(2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities have been taken to the best of their knowledge and ability;
- (iv) the annual accounts have been prepared on a "going concern basis".

## **DIRECTORS**

Mr. Vijay Rathi, Director of the Company retires by rotation in accordance with the provisions of Articles of Association of the Company and being eligible offer himself for re-appointment.



Mr. Sanjay Sharma has resigned from the Directorship of the Company w.e.f. 30.08.2012. The Board appreciates the services rendered by him during his association with your Company.

Mr. Sartajsing Chhabra, who was appointed by the Board on 30.08.2012 as an additional director of the Company, has been appointed as a Director of the Company by the members of the Company in the Annual General Meeting held on 29.09.2012.

The Board of Directors at their meeting held on 12<sup>th</sup> November, 2012 re-appointed Mr. Virendra Kumar Gupta as an Executive Director of the Company for a period of 5 years with effect from 02<sup>nd</sup> January, 2013. The Board of Directors recommends his re-appointment.

#### **AUDITORS & AUDITORS REPORT**

M/s. Ashok Khasgiwala & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming annual general meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub section (3) of section 226 of the Companies Act, 1956, for such appointment.

Regarding the qualification marked by the auditors in their auditor's report, the same are self explanatory and therefore do not call for any further comments.

#### **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

Place: Indore

**(V.K. GUPTA)**

Dated: 31<sup>st</sup> August, 2013

Executive Director

**ANNEXURE TO DIRECTORS' REPORT**

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988 and forming part of the Directors' Report for the period ended 31<sup>st</sup> March, 2013.

<b>Particulars</b>	<b>2012-13</b> <b>(01.04.12-31.03.13)</b>	<b>2011-12</b> <b>(01.07.11-31.03.12)</b>
<b>1. CONSERVATION OF ENERGY</b>		
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
(a) Units Purchased	6,48,080	4,97,500
Total Amount (Rs.)	54,02,403	36,20,770
Rate Per Unit(Rs.)	8.34	7.28
(b) Own Generation	N.A.	N.A.
<b>2. Coal</b>	<b>NIL</b>	<b>NIL</b>
<b>3. Furnace Oil</b>		
Quantity in Ltrs	1,09,522	81,870
Total Cost (Rs.)	53,11,607	36,93,102
Rate Per Unit (Rs.)	48.50	45.11
<b>B. Consumption per unit of production</b>		
Electricity (Unit)	3.11	3.23
Coal (MT)	NIL	NIL
Furnace Oil (Ltrs)	0.53	0.53

**2. TECHNOLOGY ABSORPTION**

No research and development work has been carried out by the Company, therefore, there is no expenditure on this head or another benefit accrued from it. Future plan of action for research and development is being worked out.

**3. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review, the foreign exchange outgo was **Rs. NIL** (Previous Year Rs. NIL) and the foreign exchange earning was **Rs. NIL** (Previous year Rs. Nil).

For and on behalf of the Board of Directors

Place : Indore  
Dated: 31<sup>st</sup> August, 2013

**(V.K. Gupta)**  
Executive Director

## 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 2012-13, the Company performed better than the 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	- LPG Cylinders manufacturing and repairing
Merchant Trading	- Land, Skimmed Milk Powder, Coal and various commodities

The segment wise performance in detail is given in **Note 39** to the audited accounts of the Company as available in this Annual Report.

### Outlook

During the year 2012-13, the world as well as Indian economy showed Industrial sluggishness and slowdown in all major contributory areas of economy. In spite of this fact, Company has recorded increased level of profit as compare 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

Your Company has succeeded in achieving satisfactory results for the financial year 2012-13:

#### Summarized Profit and Loss Account:

Particulars	(Rs. in Lacs)	
	2012-13 (01.04.2012-31.03.2013)	2011-12 (01.07.11-31.03.12)
Sales and other Income	11,134.24	12,571.14
Gross Profit	152.7	133.32
Depreciation	57.54	48.19
Profit before tax	95.16	85.13
Provision for Taxation for the year	30.01	32.51
Profit after Taxation	65.15	52.62
Balance brought forward from previous year	793.21	740.59
Amount available for appropriation	858.36	793.21
APPROPRIATION		
Amount Carried to Balance sheet	858.36	793.21

### 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 clause 49 of the listing agreement with the Indian stock exchanges is concerned, 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 (as specified in clause 49 of the Listing Agreement), across all the Companies in which he 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:

### COMPOSITION AND CATEGORY OF DIRECTORS

Name of the Director	Category	Attendance		No. of Directorship/ Committee Positions held in other Public Limited Companies.		
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*
Mr. Virendra Kumar Gupta	Executive Director	10	Yes	1	---	2
Mr. Vijay Rathi	Independent Director	6	Yes	1	1	---
Mr. Udesb Dassani	Independent Director	6	No	---	---	---
Mr. Sanjay Sharma**	Independent Director	---	No	---	---	---
Mr. Sartajsing Chhabra***	Independent Director	5	No	---	---	---

\* Represents Chairmanships / Memberships of Audit Committee and Shareholders' / Investors' Grievance Committee.

\*\* Mr. Sanjay Sharma has resigned on 30.08.2012.

\*\*\* Mr. Sartajsing Chhabra has been appointed on 30.08.2012.

**DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

**Mr. Vijay Rathi**, aged 61 years, holding Fellow Membership of the Institute of Chartered Accountants of India, is presently practicing as a Chartered Accountant and having vast experience in conducting stock audits of various banks. He is also a Master of Arts, Master of Commerce and Bachelor of Law. He is on the Board of Anik Industries Limited.

Mr. Vijay Rathi does not hold any shares in the Company as on 31.03.2013.

**Mr. Virendra Kumar Gupta**, aged 73 years, is M.Sc. in Chemistry and having around 40 years experience in various industrial units. He is associated with the Company since last 18 years and has contributed to a great extent for the success of the Company.

He is on the Board of the following Companies:

1. Avanti Energy Private Limited
2. Avantika Farms Private Limited
3. Yatish Impex Private Limited
4. M.P. Energy Private Limited
5. Pushpal Exports Private Limited
6. Teej Impex Private Limited
7. Mahakosh Amusement Private Limited
8. Sarthak Global Limited

Mr. Virendra Kumar Gupta is a Member of Audit Committee and Investor Grievance Committee of Sarthak Global Limited.

Mr. Virendra Kumar Gupta holds 600 shares in the Company as on 31.03.2013.

**BOARD PROCEDURE:**

During the financial year 2012-13, the Board of Directors met on the following dates: 07<sup>th</sup> May, 2012; 15<sup>th</sup> May, 2012; 02<sup>nd</sup> July, 2012; 14<sup>th</sup> August, 2012; 30<sup>th</sup> August, 2012; 04<sup>th</sup> September, 2012; 17<sup>th</sup> September, 2012; 12<sup>th</sup> November, 2012; 23<sup>rd</sup> January, 2013 and 14<sup>th</sup> February, 2013. The gap between two meetings did not exceed four months, as mentioned in clause 49 of the listing agreement. The dates of meetings were generally decided in advance. Key information is placed before the board of directors to appraise corporate governance.

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.

**AUDIT COMMITTEE:**

**Brief description of terms of reference:**

The terms of reference specified by the Board to the audit committee are as contained under clause 49 of the listing agreement with the stock exchanges read with section 292A of the Companies (Amendment) Act, 2000.

**Composition of Committee and attendance of members:**

The Committee comprises of Mr. Vijay Rathi (Chairman of the Committee), Mr. Udesb Dassani and Mr. Virendra Kumar Gupta (Members of the Committee). The Compliance Officer is Secretary of the Committee. The Committee met on the following dates: 15<sup>th</sup> May, 2012; 14<sup>th</sup> August, 2012; 04<sup>th</sup> September, 2012; 12<sup>th</sup> November, 2012 and 14<sup>th</sup> February, 2013. Mr. Udesb Dassani, Mr. Virendra Kumar Gupta and Mr. Vijay Rathi each have attended 5 committee meetings.

**REMUNERATION COMMITTEE:**

The objective of Remuneration Committee is to determine remuneration package for executive directors of the Company and to monitor the due compliance of remuneration policies of the Company in a transparent manner.

**Composition of Committee and attendance of members:**

The Committee comprises following members as on 31.03.2013:

Mr. Vijay Rathi	Chairman
Mr. Udesb Dassani	Member
Mr. Sanjay Sharma	Member (Resigned on 30.08.2012)
Mr. Sartajsing Chhabra	Member (Appointed on 30.08.2012)

All members of Committee are non-executive Independent Directors. The Committee has met on 12<sup>th</sup> November, 2012 during the period.

**DETAILS OF REMUNERATION TO DIRECTORS:**

**A. REMUNERATION TO EXECUTIVE DIRECTORS**

The terms of remuneration of executive director has been fixed by the Board of Directors and approved by shareholders.

The particulars of remuneration of executive director during the financial year 2012-13 are as under:

Name	Designation	Salary & Allowances	Provident Fund Other benefit	Total
Mr. Virendra Kumar Gupta	Executive Director	8,61,234	1,57,477	10,18,711

As on 31<sup>st</sup> March, 2013, Non executive Directors were holding Nil Shares of the Company.

**B. REMUNERATION TO NON-EXECUTIVE DIRECTOR**

As approved by the Board of Directors in accordance with the Articles of Association on the Company, 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 2012-13.

The sitting fees paid to the Non-Executive Directors for attending each meeting of the Board and/or Committee thereof for the year ended 31.03.2013 is as follows:- Mr. Vijay Rathi – Rs. 10,000/- , Mr. Udesb Dassani – Rs. 10,000/- and Mr. Sartajsing Chhabra – Rs. 5000/-.

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

Brief description of terms of reference:

The committee looks into the redressal of shareholders'/investors' complaints like transfer of shares, non receipt of annual report, non receipt of dividend, etc and improve the efficiency in investors service, wherever possible.

<b>Chairman</b>	:	Mr. Vijay Rathi
<b>Members</b>	:	Mr. V.K. Gupta, Mr. Udesb Dassani
<b>Compliance Officer</b>	:	CS Amit Jain

The Board has delegated the powers of approving transfer of shares to the Registrar and Share Transfer Agents M/s Sarthak Global Limited.

No investor complaints were received during the financial year 2012-13. All valid share transfers received during the year 2012-13 have been acted upon by the Company and as on 31<sup>st</sup> March, 2013 there were Nil shares pending for transfer.

**GENERAL BODY MEETINGS:****Annual General Meetings:**

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

YEAR	VENUE	DATE	TIME
2009-10	302, Devkrupa Building, 28, Raichur Street, Mumbai-400009	30/09/2010	11.00 a.m.
2010-11	302, Devkrupa Building, 28, Raichur Street, Mumbai-400009	30/12/2011	11.00 a.m.
2011-12	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	29/09/2012	02.30 p.m.

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. No special resolutions were put through postal ballot last year. None of the business required to be transacted at this annual general meeting is proposed to be passed by postal ballot.



**Extra-ordinary General Meeting:**

During the financial year 2012-13, no Extra Ordinary General Meeting of the Company was held.

**Postal Ballot:**

Approval of shareholders was obtained through the means of postal ballot on the following resolutions during the year 2012-13-

1. Ordinary Resolution for authorizing the Board of Directors under Section 293(1)(a) of the Companies Act, 1956.
2. Special Resolution for authorizing the Board of Directors under Section 372A of the Companies Act, 1956
3. Special Resolution for authorizing the Board of Directors to provide Collateral Security.

The postal ballot process was conducted, as provided under the provisions mentioned under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. Mr. L.N. Joshi, a Practicing Company Secretary was appointed as scrutinizer for conducting Postal Ballot Process in a fair and transparent manner. The results of Postal Ballot were declared on 02<sup>nd</sup> March, 2013.

**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.

**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).

**GENERAL SHAREHOLDERS INFORMATION:****Date, Time & Venue of the annual general meeting:**

26<sup>th</sup> September, 2013 at 12:30 p.m. at  
302, Devkrupa Building, 28, Raichur Street,  
Mumbai (MH) -400 018

**Financial Year:**01<sup>st</sup> April, 2012 – 31<sup>st</sup> March, 2013**Financial Calendar:**

Financial Reporting (tentative) for Quarter ending

June 30, 2013	- August, 2013
September 30, 2013	- November, 2013
December 31, 2013	- February, 2014
March 31, 2014	- May, 2014

**Date of book closure**24<sup>th</sup> September to 26<sup>th</sup> September (Both days inclusive)**Listing on Stock Exchanges at:**

The Bombay Stock Exchange Ltd. (BSE) (Stock Code 531930)  
The Madhya Pradesh Stock Exchange Ltd. (MPSE)

Company also has trading platform on National Stock Exchange (NSE) (Stock Code – SARTHAKIND).

**Electronic connectivity:**

National Security Depository Ltd. &amp; 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 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 are given below:

Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-12	26.80	22.00
May-12	23.00	19.95
June-12	21.00	19.10
July-12	19.10	16.55
August-12	18.20	14.60

September-12	16.09	15.33
October-12	17.70	16.90
November-12	17.70	16.10
December-12	---	---
January-13	19.45	17.75
February-13	17.20	16.20
March -13	17.85	15.50

**Investors' correspondence may be addressed to:**

Mr. Amit Jain  
 Company Secretary and Compliance Officer  
 Sarthak Industries Limited  
 302, Devkrupa Building,  
 28, Raichur Street, Mumbai (MH) - 400009 INDIA  
 Tel. No.: +91 022 66102209  
 Email: [sarthakindustries@yahoo.in](mailto:sarthakindustries@yahoo.in)

**Distribution of Equity Shareholding and its pattern as on 31<sup>st</sup> March, 2013**

<b>Distribution of Equity Shareholding 31.03.2013</b>			
<b>Share Class</b>		<b>No. of Equity Shares</b>	
<b>No. of Shares</b>	<b>No. of Holders</b>	<b>No. of shares held</b>	<b>Shareholding %</b>
Up to 500	432	1,66,134	2.38
501-1000	158	1,31,333	1.88
1001-2000	13	18,410	0.26
2001-3000	8	20,178	0.29
3001-4000	2	6,650	0.10
4001-5000	3	13,250	0.19
5001-10000	1	9,000	0.13
10001 and above	30	66,03,895	94.76
<b>Total</b>	<b>647</b>	<b>69,68,850</b>	<b>100.00</b>

<b>Shareholding Pattern</b>		
<b>Category</b>	<b>No. of Shares</b>	<b>Shareholding %</b>
Promoters	25,34,530	36.37
Domestic Corporate Bodies	30,78,802	44.18
Indian Public	8,87,143	12.73
NRIs/OCBs/FIIs	4,68,375	6.72
<b>Total</b>	<b>69,68,850</b>	<b>100.00</b>

**Registrar and Share Transfer Agents**

Sarthak Global Limited  
 170/10, R.N.T. Marg  
 Film Colony, Indore,  
 (MP) - 452001

**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 31<sup>st</sup> March, 2013 out of 69,68,850 equity shares of Rs. 10/- each, 56,76,915 equity shares which is 81.46% of total equity are now held in electronic form.

**Plant Locations**

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

**Address for correspondence**

10/1, South Tukoganj,  
Alumina Tower, Indore,  
(MP) - 452001

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To the Members of  
**SARTHAK INDUSTRIES LIMITED**

We have examined the compliance of conditions of corporate governance by Sarthak Industries Limited for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the listing agreement.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

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 Regn. No. 0743C)

Place: Indore  
Dated: 31<sup>st</sup> August, 2013

**CA AVINASH BAXI**  
Partner  
M. No. 79722

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**Independent Auditors' Report**

To,  
The Members of  
Sarthak Industries Limited

**Report on the Financial Statements**

We have audited the accompanying financial statement of Sarthak Industries Limited ("The Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 depends 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 control relevant to the company's preparation and fair presentation of the financial statements 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 management, 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.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date."

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Place : Indore  
Date : 30<sup>th</sup> May 2013



For ASHOK KHASGIWALA & CO.,  
Chartered Accountants  
(Firm Reg. No) 0743C).

CA Avinash Baxi  
Partner  
M. No. 79722

**Annexure To Independent Auditors' Report**

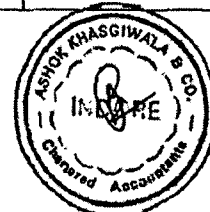
(Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of its Inventories:
  - a. The Inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable.
  - b. In our opinion, the procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of Inventories as compared to the book records.
- iii.
  - a. According to the information and explanations given to us, and in our opinion the Company has not granted any loan secured or unsecured to company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(b), iii (c) and iii(d) of the Order are not applicable to the company.
  - b. According to the information and explanations given to us, and in our opinion the Company has taken loan from one company covered in the register maintained under section 301 of the Companies act, 1956. The maximum amount involved during the year under audit was Rs. 82644651 and as at the end of the year was Nil.
  - c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - d. In respect of these loans, there is no stipulation as to the payment of principal amount and interest. Hence, we have not commented on whether the payment of principal amount and interest are regular.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system in respect of these areas.



- v. a. According to the information and explanations given to us, we are of the opinion that the company has no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- b. In our opinion provisions of clause (V) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, is not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost 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.
- ix. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. There were no arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- b) In our opinion and according the information and explanation given to us, the statutory dues which have not been deposited with appropriate authorities on account of any disputes are as under :

Name of the Statute	Nature of Dues	Amount Involved Rs.	Period to which amount relates	Forum where dispute is pending
Bombay Sales Tax Act, 1959	Sales Tax	998913	1998-99	Maharashtra Sales Tax Tribunal Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	9231996	2001-02	Asst. Commissioner of Sales Tax
Bombay Sales Tax Act, 1959	Sales Tax	18631908	2002-03	Dy. Commissioner of Sales Tax (Appeal)
Competition Commission of India	MRT Preactice	38974489	2007-08 to 09-10	Competition Appellate Tribunal, New Delhi

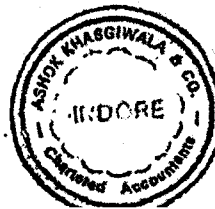




- x. The company does not have accumulated losses as at 31<sup>st</sup> March 2013. The company has not incurred cash losses during the year under audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debenture.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. The Company has given guarantee for loans taken by Others from Bank. In our opinion and according to the information and explanations given to us the terms and condition of the guarantee given are not prima facie prejudicial to the interest of the company.
- xvi. The company has not raised any term loan during the year under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been utilised for long term purposes.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. The Company has not issued any debenture.
- xx. The Company has not raised money by public issues during the year.
- xxi. 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 not come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

Place : Indore  
Date : 30<sup>th</sup> May, 2013

For ASHOK KHASGIWALA & CO.,  
Chartered Accountants.  
(Firm Reg. No. 2743C).



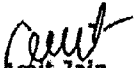




CA Avinash Baxi  
Partner  
M.No. 079722

**SARTNAK INDUSTRIES LIMITED**

**Balance Sheet as at 31st March, 2013**

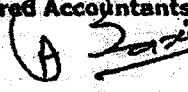
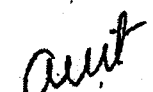
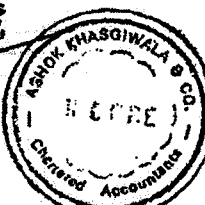


Amount in Rs.

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	69688500	69688500
(b) Reserves and Surplus	2	359644456	353129880
		<b>429332956</b>	<b>422818380</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	23182907	114476433
(b) Long-term provisions	4	2081692	1705191
		<b>25264599</b>	<b>116181624</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	599906	55390138
(b) Trade payables	6	477125433	642656687
(c) Other current liabilities	7	21195893	22425577
(d) Short-term provisions	8	650550	554319
		<b>499571782</b>	<b>721026721</b>
<b>Total</b>		<b>954169337</b>	<b>1260026725</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	9	411012643	67449046
(ii) Capital work-in-progress		774228	644201
(b) Non-current investments	10	26540859	26435159
(c) Deferred Tax Assets (Net)	11	736660	213006
(d) Long term loans and advances	12	32871815	29773229
		<b>471936205</b>	<b>124514641</b>
<b>(2) Current assets</b>			
(a) Inventories	13	30671731	47405528
(b) Trade receivables	14	316090200	545210578
(c) Cash and bank balances	15	28784193	10602188
(d) Short-term loans and advances	16	106064807	104849657
(e) Other current assets	17	622201	184133
		<b>482233132</b>	<b>1135512084</b>
<b>Total</b>		<b>954169337</b>	<b>1260026725</b>
Notes forming integral part of the financial statements	1 to 46		
As per our report of even date For Ashok Khargiwala & Co. Chartered Accountants		For and on behalf of Board of Directors	
 <b>CA Avinash Baxi</b> Partner M. No. : 79722		 <b>CS Amit Jain</b> Company Secretary	 <b>VK Gupta</b> Executive Director
		 <b>Udesch Dassani</b> Director	
Place : Indore Dated : 30th May, 2013			

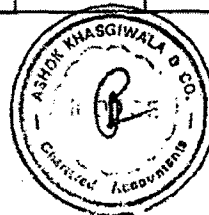
**SARTHAK INDUSTRIES LIMITED**

**Statement of Profit and Loss for the year ended on 31st March, 2013**

Amount in Rs.

Particulars	Note No	For the twelve months ended on 31st March 2013	For the nine months ended on 31st March 2012
<b>I. INCOME</b>			
a, Revenue from operations	18	1134189138	1270965572
Less : Excise duty		29512300	18210516
Revenue from operations (Net)		1104676838	1252755056
b. Other Income	19	8746707	4359172
<b>Total Revenue</b>		<b>1113423545</b>	<b>1257114228</b>
<b>II. EXPENSES</b>			
a. Cost of materials consumed	20	183840055	147460406
b. Purchases of Stock-in-Trade	21	755738839	1145612272
c. Changes in inventories of Finished goods, Work in progress and Stock-In-Trade	22	105368644	(98787400)
d. Employee Benefits Expense	23	11708583	9241638
e. Finance costs	24	7605514	6728690
f. Depreciation Expenses		5754083	4819132
g. Other Expenses	25	33891906	33526817
<b>Total Expenses</b>		<b>1103907624</b>	<b>1248601555</b>
<b>III. Profit before exceptional and extraordinary items and tax (I-II)</b>		<b>9515922</b>	<b>8512673</b>
<b>IV. Exceptional or Extraordinary Items</b>		<b>0</b>	<b>0</b>
<b>V. Profit before tax (III - IV)</b>		<b>9515922</b>	<b>8512673</b>
<b>VIII. Tax expense:</b>			
a. Current tax		3525000	3650000
b. Deferred tax		(523654)	(429601)
C. Income Tax for Earlier Year		0	30375
<b>IX. Profit for the year (VII - VIII)</b>		<b>6514576</b>	<b>5261899</b>
<b>XVI. Earning per Equity share: (face value Rs 10 )</b>			
(1) Basic		0.93	0.85
(2) Diluted		0.93	0.85
Notes forming intergeral part of the financial statement	1 to 46		
As per our report of even date For Ashok Khasgiwala & Co. Chartered Accountants		For and on behalf of Board of Directors	
 <b>CA Avinash Baxi</b> (Partner) M. No. : 79722		 <b>CS Amit Jain</b> Company Secretar	
		 <b>VK Gupta</b> Executive Director	
 <b>Adesh Dassani</b> Director			
Place : Indore Dated : 30th May, 2013			

<b>SARTHAK INDUSTRIES LIMITED</b>				
<b>Notes forming intergeral part of the Financial Statements for the year ended 31st March, 2013</b>				
Particulars	Amount in Rs.			
	As at 31st March 2013		As at 31st March 2012	
<b>Note 1. Share Capital</b>				
<b>Authorised</b>				
1,10,00,000 Equity Share of Rs. 10 each	110000000		110000000	
1,00,000 Preference Share of Rs.100 each	10000000		10000000	
<b>Issued, Subscribed and Paid up</b>				
6968850 Equity Shares of Rs 10 Each fully paid up	69688500		69688500	
	69688500		69688500	
1.1 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 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.				
1.2 Pursuant to amalgamation of Glorishine 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 1400000 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.				
1.3 The details of Shareholders holding more than 5% shares in the Company :				
Name of the Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No of shares held	% Held	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88	1425200	20.45
Promise Securities Pvt. Ltd.	400000	5.74	400000	5.74
Girish Kumar Pushkariyal Agarwal	511200	7.34	511200	7.34
Antarica Resource Ltd.	468540	6.69	468540	6.69
Manish Shaha	810000	13.08	810000	13.08
Mahakosh Papers Pvt. Ltd.	375000	5.38	375000	5.38
1.4 The reconciliation of the number of shares and amount outstanding is set out below:				
Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	6968850	69688500	5568850	55688500
Add: Shares allotted pursuant to scheme of amalgamation without payment being received in cash	-	-	1400000	14000000
Equity Shares at the year end	6968850	69688500	6968850	69688500
<b>Note 2 Reserves and Surplus</b>				
<b>Capital Reserve</b>				
Balance at the beginning of the year			4536358	4536358
Add: Recieved during the year			0	0
Balance at the end of the year			4536358	4536358
<b>Securities Premium Account</b>				
Balance at the beginning of the year			267623752	4632310
Add : Transfer from securities premium suspense account			0	262991442
Balance at the end of the year			267623752	267623752
<b>Securities Premium Suspense Account</b>				
Balance at the beginning of the year			0	262991442
Add : Received during the year			0	0
			0	262991442
Less : Transfer to Securities Premium Account			0	262991442
Balance at the end of the year			0	0
			267623752	267623752
<b>General Reserve</b>				
Balance at the beginning of the year			1648608	1648608
Add: Transferred from Profit & Loss Account			0	0
Balance at the end of the year			1648608	1648608
<b>Surplus in Statement of Profit and Loss</b>				
Balance at the beginning of the year			79321162	74059263
Add: Profit for the year			6514576	5261899
Balance at the end of the year			85835738	79321162
			<b>Total</b>	<b>359644456</b>
				<b>353129880</b>



<b>Note 3 Long Term Borrowings</b>			
<b>Secured</b>			
a. From Banks- Term loan	4360739		6001633
Less : Current Maturity of Long term debts (Refer note 7)	1788350		1640895
		2572389	4360738
<b>Unsecured</b>			
a. From others			
Indore Development Authority (IDA)	27471044		33656115
Less : Current Maturity of Long term debts (Refer note 7)	6860526		6185071
		20610518	27471044
b. Intercompany Deposits		0	82644651
<b>Total</b>		<b>23182907</b>	<b>114476433</b>
<b>Note :</b>			
Term loan from HDFC bank is secured by charge on the specific asset acquired from loan.			
The loan is repayable as under:			
Sanctioned amount is Rs 17.5 lakh outstanding Rs. 10.27 lacs is repayable in 60 equal quarterly installments of Rs. 36115 (Including Interest) commencing from December 2010 and last installment is due on August 2014			
Sanctioned amount is Rs 15.5 lakh outstanding Rs.7.70 lacs is repayable in 60 equal quarterly installments of Rs. 33595 commencing from May 2010 and last installment is due on August 2014			
Sanctioned amount is Rs 50.85 lakh outstanding Rs. 25.63 lacs is repayable in 60 equal quarterly installments of Rs. 104940 commencing from July 2010 and last installment is due on			
Unsecured Loan from IDA outstanding Rs. 147.36 lacs is repayable in 40 equal quarterly installments of Rs. 1271480 (Including Interest) commencing from November 2006 and last installment is due on August 2016			
Unsecured Loan from IDA outstanding Rs. 127.34 lac is repayable in 40 equal quarterly installments of Rs. 1098691 (Including Interest) commencing from November 2006 and last installment is due on August 2016			
<b>Note 4 Long Term Provisions</b>			
Provision for Employee benefit		2081692	1705191
<b>Total</b>		<b>2081692</b>	<b>1705191</b>
<b>Note 5 Short Term Borrowings</b>			
<b>Loans repayable on demand</b>			
<b>Secured</b>			
a. Working Capital Loans			
From Punjab National Bank		0	0
From HDFC Bank		0	54610000
b. Other - Against Shares		0	180232
<b>Unsecured</b>			
Security Deposits		599906	599906
<b>Total</b>		<b>599906</b>	<b>5390138</b>
The working capital loan from Punjab National Bank and IOBI banks are secured by first pari passu charge by way of hypothecation of entire current assets including stocks and book debts and all plant and machineries, equipments etc of the company, equitable mortgage of land situated at survey no 97, khasra no 80 in village Akoliya Dist Dhar(M.P.), together with all buildings and structures thereon and personal guarantee of director and others.			
<b>Note 6 Trade Payables</b>			
Due to Micro, Small and Medium Enterprises		0	0
Due to others		477125433	642656687
(Refer Note 32)			
<b>Total</b>		<b>477125433</b>	<b>642656687</b>
<b>Note 7 Other Current Liabilities</b>			
Current Maturities of Long Term Debt (Refer note 3)		8648876	7825966
Interest accrued and due on borrowings		0	512512
Interest accrued but not due		240372	0
Other Payables			
Statutory Dues		2860123	3648553
Advances from Customers		62132	85954
Liabilities for Expenses		9384390	10352591
<b>Total</b>		<b>21198893</b>	<b>22425876</b>
<b>Note 8 Short Term Provisions</b>			
Provision for Employee benefit		650550	554319
<b>Total</b>		<b>650550</b>	<b>554319</b>



**SARTHAK INDUSTRIES LIMITED**

**Note 9 Fixed Assets**

Name of the Assets	GROSS BLOCK				DEPRICATION				NET - BLOCK	
	As at 1st April, 12	Additions / Transferred during the year	Deductions	As at 31st March, 13	Up to 31st March, 12	For the year 2012-13	Adjustments / Deductions	Up to 31st March, 13	As at 31st March, 13	As at 31st March, 12
<b>Tangible Assts</b>										
Land :										
Free Hold	2868899	139700000	13805	142555094	-	-	-	-	142555094	2868899
Lease Hold	296900	208555436	-	208852330	14021	9897	-	23918	208828418	282879
Buildings	54699739	755955	-	55455694	11026460	2296050	-	13322510	42133184	43673279
Plant & Machinery	36897976	307525	-	37205501	25451886	1098835	-	26550721	10654780	11446090
Furniture & Fixtures	587378	-	-	587378	339846	44803	-	384649	202729	247532
Office Equipments	1266074	24490	-	1290564	886840	92318	-	979158	311406	379234
Vehicles	17295401	-	383162	16912239	8744268	2212180	371241	10585207	6327032	8551133
<b>Current Year</b>	<b>113912367</b>	<b>349343406</b>	<b>396967</b>	<b>462858806</b>	<b>46463321</b>	<b>5754083</b>	<b>371241</b>	<b>51846163</b>	<b>411012643</b>	<b>67449046</b>
<b>Previous Year</b>	<b>113476789</b>	<b>1340951</b>	<b>905373</b>	<b>113912367</b>	<b>42400311</b>	<b>4819137</b>	<b>756122</b>	<b>46463321</b>	<b>67449046</b>	<b>-</b>



<b>Note 10 Non- Current Investments</b>			
<b>A. Long term Investment in Equity Shares</b>			
<b>I. Quoted (Other Than Trade)</b>			
1953000 Equity Shares of Ruchi Infrastructure Ltd. of Rs.1 each fully paid up		470075	470075
5000 Equity Shares of Ruchi Soya Industries Ltd. of R. 2 each fully paid up		36000	36000
1600 Equity Shares of National Steel & Agro Industries Ltd. of Rs.10 each fully paid up		65272	65272
100 Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10 each fully paid up		2400	2400
108800 Equity Shares of Sarthak Global Limited of Rs. 10 each fully paid up		1022000	1022000
590620 (Previous year 600620) Equity Shares of Anik Industries Ltd of Rs. 10 each fully paid up		24513129	24781829
500 Equity shares of Kernex Micro Ltd. of Rs.10 each fully paid up		122233	122233
		26231109	26499809
Less : Provision for diminution in value of Investments		117611	117611
		26113498	26382198
<b>II. Unquoted</b>			
1800 Equity shares of Valshnavi Insurance of Rs. 5 each fully paid up		9000	9000
9000 Equity shares of Anik Industries PTE Ltd. of Rs. 1 each fully paid up		374400	-
		383400	9000
<b>B. Investments in Government Securities</b>			
National Saving Certificate VIII Issue (Deposited with Govt. Department)		43500	43500
		43500	43500
<b>C. Investment in Partnership Firms</b>			
Balance in Capital account of "Girraj Buildcon" (Refer note "39")		461	461
		461	461
		<b>Total (A+B+C)</b>	<b>26540859</b>
			<b>26435159</b>
		<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
Aggregate Amount of Quoted Investments		26231109	26499809
Aggregate Amount of Unquoted Investments		383400	9000
Market Value of Quoted Investments		58,963,899	51,841,867
Aggregate Provision for diminution in value of Quoted Investments		117,611	117,611
Aggregate Amount of Unquoted Investments- In Government Securities		43,500	43,500
Aggregate Amount of Investments- In Partnership Firm		461	461
<b>Note 11 Deferred Tax Assets (Net)</b>			
<b>Deferred Tax Liabilities</b>			
Oue to Depreciation difference on Fixed Assets		192029	520092
<b>Deferred Tax Assets</b>			
Other Timing Difference		928689	733098
<b>Deferred Tax Liabilities / (Assets) (Net)</b>		<b>(736660)</b>	<b>(19006)</b>
<b>Note 12 Long Term Loans and Advances</b>			
<b>Unsecured considered good</b>			
Capital Advances			
Security Deposits		27757208	25404477
Advance tax (net)		5114607	4368752
		<b>Total</b>	<b>32871815</b>
			<b>29773229</b>
<b>Note 13 Inventories</b>			
<b>(As valued and certified by Management)</b>			
Raw Materials		23321659	13789899
Work In Progress		2189086	8969462
Finished Goods		2444141	9305534
Stock In Trade		0	439982311
Stores and Spares		2716845	2618322
		<b>Total</b>	<b>30671731</b>
			<b>474665528</b>
Valued at lower of Cost or Net realisable value, except for scrape valued at net reliable value.			



<b>Details of Raw Materials</b>				
H.R. Coal			16380048	940696
Others			6941611	4329936
		<b>Total</b>	<b>23321659</b>	<b>13789399</b>
<b>Details of Work in Progress</b>				
Semi finished LPG Cylinders			2189096	6969462
		<b>Total</b>	<b>2189086</b>	<b>8969462</b>
<b>Details of Finished Goods</b>				
LPG Cylinders			1206237	8115460
Others			1194084	1190074
		<b>Total</b>	<b>2400321</b>	<b>9305534</b>
<b>Details of Stock in Trade</b>				
Skimmed Milk Powder			0	91726875
Land			0	348255436
			0	439982311
<b>Note 14 Trade Receivables</b>				
unsecured, considered good				
Over Six Months from the date they were due for payment			33200352	27415875
Others receivable			282889848	517794703
		<b>Total</b>	<b>316090200</b>	<b>545210578</b>
<b>Note 15 Cash and Bank Balances</b>				
<b>a. Cash and Cash Equivalents</b>				
<b>i. Balances with Banks</b>				
In Current Accounts			911947	10,488
In Deposit Accounts with maturity up to 3 months				
Earmarked against credit facility			8285000	6660000
Others			15944278	38666
<b>ii. Cash on hand</b>			1097363	335434
			26238588	8053588
<b>b. Other Bank Balances</b>				
<b>Short Term Deposits</b>				
with maturity more than 3 months up to 12 months			0	0
Earmarked against credit facility			0	0
Others			2545605	2548600
with maturity more than 12 months			0	0
		<b>Total</b>	<b>28784193</b>	<b>10602188</b>
<b>Note 16 Short Term Loans and Advances</b>				
(Unsecured considered good)				
Loans and Advances to Employees			684645	894286
Balance with Government Authorities			1236740	6039220
Others				
Advance to Suppliers			4398742	4374931
Other Advances recoverable in cash or in kind for value to be received			99744681	93541220
		<b>Total</b>	<b>106064807</b>	<b>104849657</b>
<b>Note 17 Other Current Assets</b>				
(Unsecured considered good)				
Interest accrued on deposits			622201	184133
		<b>Total</b>	<b>622201</b>	<b>184133</b>
<b>Note 18 Revenue from Operations</b>				
Sales of Products			1116957136	1251391756
Sale of services			7455213	4443806
Other operating Revenue			9776789	15130010
			1134189138	1270965572
Less : Excise duty			29512300	18210516
		<b>Revenue from operation (net)</b>	<b>1094900049</b>	<b>1237625046</b>
<b>Details of Sales of product</b>				
LPG Cylinders			248422903	179544279
Skimmed Milk Powder			564255625	0
Soya Seed			0	345613966
Chana			200291940	251483995
Coal			73867273	459343563
other			30119395	15405953
			1116957136	1251391756





<b>Note 19 Other Income</b>				
Interest Received			2627592	1672387
Dividend Received on long term investments			125466	165926
Profit on sale of Fixed Assets			2750170	50749
Other Non operating Income				
Rent Received			2664040	333300
MiscIncome			579439	636810
			8746707	4359172
<b>Note 20 Cost of Materials Consumed</b>				
Raw Material Consumed			183840055	147460406
			183840055	147460406
Raw Material Consumed				
H.R.Coil			137693665	107344698
Others			46146390	40115708
		Total	183840055	147460406
Raw Material Consumed	Value	%	Value	%
Imported	0	0	0	0
Indegenous	183840055	100	147460406	100
<b>Note 21 Purchases of Stock In Trade</b>				
Purchase traded goods			755738839	1145612272
		Total	755738839	1145612272
<b>Details of Purchases of Traded Goods</b>				
Skimmed Milk Powder			471550000	91726875
Soyabean Seed			0	344982492
Coal			73243410	457407730
Chana			200353140	251495175
Others			10592289	0
		Total	755738839	1145612272
<b>Note 22 Changes in Inventories of Finished Goods Work-In-Progress and Stock-In-Trade</b>				
Closing stock				
Finished Goods	2444141			9305534
Work in Progress	2189086			8969462
Stock in Trade	0			439982311
			4633227	458257307
Less : Opening Stocks				
Finished Goods	9305534			4634731
Work in Progress	8969462			6579740
Stock in Trade	439982311			348255436
Less : Value of land transferred to fixed assets (Refer note 37)	348255436	91726875		0
			110001871	359469907
Changes in Inventories			-105368644	98787400
<b>Note 23 Employee Benefits Expenses</b>				
Salaries and Wages			10994089	8721599
Contribution to Provident and other fund			554140	396502
Staff Welfare Expenses			160354	123537
		Total	11708583	9241638
<b>Note 24 Finance Costs</b>				
Interest Expenses			6283474	5370312
Other Borrowing costs			1322040	1358378
		Total	7605514	6728690
<b>Note 25 Other Expenses</b>				
Power and Fuel			5402403	3620770
Stores, spares and consumables			4237504	3360731
Rent			1219001	893558
Repairs to Machinery			1164795	1033421
Repairs to Buildings			-184925	49070
Insurance			462143	264458
Rates & Taxes exclding taxes on Income			3009401	4477098
Factory Expenses			264010	127387
Service Charges			9542484	6448320
Legal and Professional Charges			2376915	2359395
Travelling & Conveyance Expenses			1198171	1094653
Vehicle Expenses			722033	1801657
Miscellaneous Expenses			4108121	7996299
		Total	33891906	33526817



# GARTHAK INDUSTRIES LIMITED

	2012-2013	2011-2012
	(Amount in Lacs)	
<b>26 Contingent Liabilities and Commitments</b>		
<b>1 Contingent Liabilities</b>		
a) Outstanding Bank guarantee	115.62	114.66
b) Sales Tax, CCI and other demand disputed in appeals	480.85	519.83
c) Corporate Guarantee given on behalf of others	900.00	900.00
<b>2 Commitments</b>	Nil	Nil

27 In the opinion of the Board of Directors the current assets, loans and advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The company has made adequate provision for all known liabilities.

28 Earlier years accumulated unprovided Depreciation on Fixed Assets Rs. 4044436 (previous year Rs. 4044436).

29 The Company has availed in earlier year the benefit of Sales Tax deferment scheme as per terms & conditions of Notification No. 3-32-94-ST-V(5) dated 28/2/95 issued by department of Commercial tax, Govt. of M.P. has been deferred and carried forward as unsecured loan from Govt. of Madhya Pradesh. The necessary exemption / deferment certificate is yet to be received from the concerned authorities. The company moved writ petition before the Hon'ble High Court, Indore to get exemption certificate which was allowed against state order of MP High Court bench, Indore, the State Level Committee has moved a writ appeal before the Hon'ble division bench, MP High Court bench at Indore no. 168/2008 which is pending for further order.

30 Sundry creditors includes Bills payable Rs. 55400391 (Previous Year 39940144).

31 Leases : Operating Leases  
Where Company is lessee

The Company has taken various premises under 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.1201501 (Pre.Year Rs.848633 ). The company has not recognized any contingent rent as expense in the statement of profit and loss.

Total future lease rental payable as at balance sheet date

Particulars	2012-13	2011-12
For a period not later than one year	1,020,000.00	1,020,000.00
For a period later than one year and not later than five years	-	-
For a period later than five years	-	-

Where company is lessor

The assets given on 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 recognised as an expense in the statement of Profit and loss. Initial direct costs are recognised 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, recognised in the Statement of Profit and Loss is Rs. 2684049 (Pre year Rs. 1833300).

Total future lease rental receivable as at balance sheet date

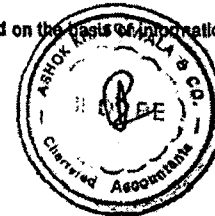
Particulars	2012-13	2011-12
For a period not later than one year	2,912,240.00	1,227,200.00
For a period later than one year and not later than five years	4,410,840.00	-
For a period later than five years	-	-

32 a. Trade Payables includes Rs. Nil (Previous Year Nil) amount due to micro small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act.

b. The details of amount outstanding to Micro, Small and Medium Enterprises are as under :

Particulars	As at 31st March, 2013	As at 31st March, 2012
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
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	-	-

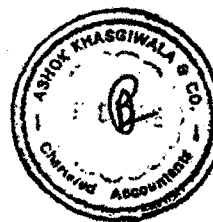
c. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.



33 Disclosure as per AS-15 (Revised) "Employee Benefit"

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. The obligation for leave encashment recognized in the same manner as gratuity.

	2012-13	2011-12
	Gratuity	Gratuity
	Rs. in lacs	Rs. in lacs
<b>I. Change In Benefit Obligation</b>		
Liability at the beginning of the year	1766825.00	1542590.00
Interest Cost	150180.00	98340.00
Current Service Cost	85928.00	61580.00
Past Service Cost (Non Vested Benefit)	0.00	0.00
Past Service Cost (Vested Benefit)	0.00	0.00
Liability Transfer In	0.00	0.00
Liability transfer out	0.00	0.00
Benefit Paid	(12115.00)	0.00
Actuarial (gain)/loss on obligations	129120.00	64315.00
Liability at the end of the year	2119938.00	1766825.00
<b>II. Change In Fair value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	0.00	0.00
Expected Return on Plan Assets	0.00	0.00
Contributions	0.00	0.00
Transfer from other company	0.00	0.00
Transfer to other company	0.00	0.00
Benefit Paid	0.00	0.00
Actuarial gain/(loss) on Plan Assets	0.00	0.00
Fair Value of Plan Assets at the end of the year	0.00	0.00
Total Actuarial Gain/(Loss) To Be Recognised	129120.00	64315.00
<b>III. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	2119938.00	1766825.00
Fair Value of Plan Assets at the end of the year	0.00	0.00
Difference	(2119938.00)	(1766825.00)
Unrecognised Past Service Cost	0.00	0.00
Unrecognised Transition Liability	0.00	0.00
Amount Recognised in the Balance Sheet	(2119938.00)	(1766825.00)
<b>IV. Expenses Recognised in Profit and Loss A/c</b>		
Current Service Cost	85928.00	61580.00
Interest Cost	150180.00	98340.00
Expected Return on Plan Assets	0.00	0.00
Past Service Cost (Non Vested Benefit) Recognised	0.00	0.00
Past Service Cost (Vested Benefit) Recognised	0.00	0.00
Recognition of Transition Liability	0.00	0.00
Actuarial Gain or Loss	129120.00	64315.00
Expense Recognised in P&L	365228.00	224235.00
<b>V Assets Information</b>		
Government of India Assets	0.00	0.00
Corporate Bonds	0.00	0.00
Special Deposits Scheme	0.00	0.00
Equity Shares of Listed Companies	0.00	0.00
Property	0.00	0.00
Other	0.00	0.00
Insurer Managed Funds	0.00	0.00
Total	0.00	0.00
<b>VI. Balance Sheet Reconciliation</b>		
Opening Net Liability	1766825.00	1542590.00
Expense as above	365228.00	224235.00
Employers Contribution	0.00	0.00
Benefit Paid	(12115.00)	0.00
Amount Recognised in Balance Sheet	2119938.00	1766825.00
<b>VII. Assumptions :</b>		
Discount Rate Prev.	8.50%	8.50%
Rate of Return on Plan Assets Prev	5.00%	5.00%
Salary Escalation Prev.	2.00%	2.00%
Discount Rate Current	8.00%	8.50%
Rate of Return on Plan Assets Current	5.00%	5.00%
Salary Escalation Current	2.00%	2.00%



34 Less: hold land allotted by IDA to the company included in stock in trade, possession of which have been hand- over but lease deed of the same is yet to be executed pending full payment on allotment.

35 Earning Per Share (EPS) :-

	2012-13 Rupees	2011-12 Rupees
Net Profit after tax	6514576	5261899
Nominal Value of each equity share	10	10
Weighted average no. of shares	6968850	6164486
Basic and diluted earning per share	0.93	0.85

36 Payment to auditors (including service tax) :

	2012-13	2011-12
Audit Fees	140450	84270
Other Services	42697	11582

37 The company has transferred the land of Rs. 348255436 being held as stock in trade to fixed assets during the year.

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

(i) M/s Girraj Bulcon

2012-2013			2011-12		
Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss	Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss
Beejay Realtors Pvt. Ltd.	460	0.05%	Beejay Realtors Pvt. Ltd.	460	1.00%
Sarbhak Industries Ltd.	461	0.05%	Sarbhak Industries Ltd.	461	1.00%
Ajay S Bankda PFC	153180	16.65%	Ajay S Bankda PFC	22540	49.00%
Jyoti Bankda	153180	16.65%	Jyoti Bankda	22540	49.00%
Appl Realty Holding Pvt Ltd	306360	33.30%	-	-	-
Savitri Devi Rathi	153180	16.65%	-	-	-
Ultratech Energy Ltd	153180	16.65%	-	-	-

39 Segment Reporting :

	2012-13			Total Amount (Rs.)
	L.P.G. Cylinders	Merchant Trading	Unallocable	
<b>(a) Primary Segment - Business</b>				
Segment Revenue	252023196	849111557	12286792	1113423546
	183447552	1056441524	17225152	1257114228
Segment Results (PBIT)	12472678	900414	3748343	17121435
	9395751	1120688	4723924	15241363
Less : Finance Cost				7665514
Profit before Tax				9516921
				8512673
Less : Tax Expenses				3001346
				3250774
Profit after Tax				6514576
				5261899
Segment Assets	99532123	328146113	494098978	921777212
	97903386	580031409	551075013	1229009808
Segment Liability	64637634	294031314	139652378	498321326
	47389675	546363536	71329053	665082264
Segment fixed assets during the year	1063480		24490	1087970
	307278	901008	132663	1340851
Segment depreciation	2378595	745429	2630059	5754083
	2007049	694422	2117661	4819132

Previous year figures shown in italic

(b) Secondary Segment - Geographical

The company's all operating facilities are located in India.

	2012-13 Amount (Rs.)	2011-12 Amount (Rs.)
Domestic Revenue	1113423545	1257114228
Export Revenue		
	1113423545	1257114228



Note :

(i) Unallocable Segment assets exclude the following :

Non Current Investments	26540859	26435159
Advance Tax (net)	5114607	4368752
Deffered Tax Assets	736660	213006

(ii) Unallocable Segment liabilities exclude the following :

Long term Borrowing	23182907	114476433
Short Term Borrowings	599906	55390136
Long Term Provision	2081692	1705191
Short Term Provision	650550	554319

40 Related Party Disclosure :

a. Key management personnel

V.K. Gupta

b. Other Party - Associate

Giriraj Bulcon Company is a Partner

c. Other party where key managerial persons have significant influence

Teej Impex Pvt. Ltd.

Pushpal Exports Pvt Ltd

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

Particulars	41 (a)		41 (b)		41 (c)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Income :	-	-	-	-	-	-
Expenditure :						
Remuneration						
V.K. Gupta	1018711	1093749	-	-	-	-
Share of loss as partner	-	-	-	41	-	-
Outstanding :						
Investment in partnership firm :						
Giriraj Bulcon	-	-	461	461	-	-
Intercompany Deposit :						
Teej Impex Pvt. Ltd.	-	-	-	-	-	82644651

41 Stores and Spares Consumed

	2012-13		2011-12	
	Value	%	Value	%
Imported	0	0	0	0
Indigenous	5402403	100	3360731	100.00

2012-13 2011-12

42 Earnings and Expenditure in foreign currency

Nil Nil

43 The financial statements have been prepared in line with the requirements of Revised Schedule VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from the financial year ended on 31<sup>st</sup> March 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle.

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

45 Current year's figures are for twelve months ended on 31.03.2013 where as previous year's figures are for nine months ending 31.03.2012.

46 Company information, Significant Accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure A.

As per our report of even date

For and on behalf of the Board of Directors

For Ashok Khasgiwala & Co.  
Chartered Accountants

CA Avinash Baxi  
(Partner)  
M. No. 79722



CS Amit Jain  
Company Secretary

VK Gupta  
Executive Director

Udeshi Dassani  
Director

Place : Indore  
Date : 30th May, 2013

# SARTHAK INDUSTRIES LIMITED

## Annexure "A"

### COMPANY INFORMATION

Sarthak Industries Ltd. (Formerly known Avanti LPG (India) Ltd. and initially known Malav Metals Pvt. Ltd.) is a public limited company incorporated on 23.12.1982.

The Company is engaged in manufacturing of LPG Cylinders. The works situated at Industrial Area, Pihampur, 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) and MP Stock Exchange (MPSE).

### STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

#### 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 (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

#### Use of Estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles requires 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 revenues and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialize.

#### 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 recognised on transfer of the ownership and rewards of ownership of the goods to the buyer and net of sales tax, VAT, trade discounts and rebates by industry practice.

Interest income is recognised on time proportion basis.

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

#### FIXED ASSETS :-

##### (i) Fixed assets :-

Fixed assets (Tangible assets) are stated at cost less depreciation 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 including any cost attributable for bringing the assets to its working condition for its intended use; less accumulated depreciation (except freehold land).

##### (ii) Capital Expenditure :-

Assets under erection/installation are shown as "Assets under construction". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on completion of the assets.

##### (iii) Leasehold Land

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

#### Depreciation

Depreciation is provided on written down value method at the rates and in the manner prescribed under schedule XIV to the Companies Act, 1956. Depreciation on assets added during the year has been provided on pro-rate basis with reference to the month of addition/disposal.

In respect of addition / extensions forming integral part of existing assets and on revised carrying amount of the assets identified as impaired, depreciation has been provided over residual life of the respective fixed assets.

#### Borrowing Cost

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



## Investments

Investments that are readily realisable 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 or market/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.

## Valuation of Inventories

Inventories are valued at lower of cost or market value on FIFO basis. Cost of inventory of finished goods and work in progress is generally comprise 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 realisable value.

## 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

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. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities.

## Employee Benefits

(a) Post-employment benefit plans.

i) Defined Contribution Plan - Contributions to provident fund Family Pension Fund are accrued in accordance with applicable status and deposited with appropriate authorities.

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 is recognized in statement of profit and loss.

The obligation for leave encashment recognized as per actuarial valuation using Projected Unit Credit Method in the same manner as gratuity.

(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for service rendered by employees is recognised during the period when the employees renders the service. These benefits include compensated absence also.

## Lease Accounting

### As a Lessee

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases 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.

## 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.

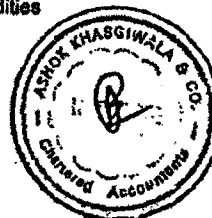
Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

## Segment Accounting

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

<u>Name of Segment</u>	<u>Comprises of</u>
Cylinders	LPG Cylinders manufacturing and repairing
Merchant Trading	Land, Skimmed Milk Powder, Coal and various commodities

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



(2) 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 between the unallocable corporate assets and liabilities respectively.

**Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account 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.

**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 there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**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**

**Regd. Office:** 302, Devkrupa Building, 28, Raichur Street, Mumbai, 400009

**29<sup>th</sup> Annual General Meeting**

**PROXY FORM**

Folio No.....

No. of Shares.....

I/We..... of ..... in the district of ..... being a Member/ Members hereby appoint ..... of ..... in the district of ..... or failing him ..... in the district of ..... as my/our proxy to attend and vote for me / us on my / our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 26<sup>th</sup> September, 2013 at 12:30 p.m., and at any adjournment thereof.

Signed this ..... day of ....., 2013

Signature.....



**For office use:**

Proxy No.: ..... Date of Receipt: ..... No. of Shares: .....

- Notes: (a) The Form should be signed across the stamp as per specimen signature. (b) The instrument appointing proxy shall be deposited at the Secretarial Department of the Company not later than 48 hours before the commencement of the meeting.

**SARTHAK INDUSTRIES LIMITED**

**Regd. Office:** 302, Devkrupa Building, 28, Raichur Street, Mumbai, 400009

**29<sup>th</sup> Annual General Meeting**

**ATTENDENCE SLIP**

Folio No.....

No. of Shares.....

Name of the Member.....

No. of Shares held.....

Name of the Proxy.....

(to be filled only when a proxy attends the meeting)

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 26<sup>th</sup> September, 2013 at 302, Devkrupa Building, 28, Raichur Street, Mumbai- 400 009 at 12:30 p.m.

**Signature of Member/ Proxy**

\*This slip may please be handed over at the entrance of the meeting hall.