

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

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

Date: 28.09.2018

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

Sub: Submission of Annual Report 2017-18 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Please find enclosed herewith the Annual Report 2017-18 of the Company. The same has been approved and adopted by members of the Company in the 34th Annual General Meeting held on 24th September, 2018.

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

Thanking you,

Yours sincerely,

For Sarthak Industries Limited


Amit Jain
Company Secretary

भारतीय मानक ब्यूरो



IS / ISO 9001



(An ISO 9001 Company)



SARTHAK INDUSTRIES LIMITED

**34th Annual Report
2017-18**

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| CIN | : L99999MH1982PLC136834 |
| BOARD OF DIRECTORS | : Mr. Yogender Mohan Sharma Whole-time Director Mr. Udesb Dassani Independent Director Mr. Vijay Rathi Independent Director Mr. Nimishek Ved Additional cum Independent Director Ms. Deepika Arora Non-Executive Director |
| COMPANY SECRETARY | : CS Amit Jain |
| CHIEF FINANCIAL OFFICER | : CA Kailash Kumar Agarwal |
| BANKERS | : Punjab National Bank HDFC Bank Ltd. |
| REGISTERED OFFICE | : Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH) Phone: 022-23486740 Email Id: sarthakindustries@yahoo.in Website: www.sarthakindustries.com |
| CORPORATE OFFICE | : 214, Trade Centre, South Tukoganj, Indore-452001(M.P.) Phone: 0731-2527949 |
| WORKS | : LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.) Phone: 07292-296766 |
| STATUTORY AUDITORS | : M/s SMAK & Co., Chartered Accountants 519, Chetak Centre Annex, RNT Marg, Indore-452001(M.P.) |
| COST AUDITORS | : M/s. A. GOYAL AND CO., Cost Accountants |
| SECRETARIAL AUDITORS | : M/s Ajit Jain & Co., Company Secretaries |
| REGISTRAR & SHARE TRANSFER AGENT | : M/s Sarthak Global Limited 170/10, Film Colony, R.N.T. Marg, Indore-452001 (M.P.), Phone: 0731-4279626 Email: sgl@sarthakglobal.com |
| STOCK EXCHANGE LISTING | : The Bombay Stock Exchange Ltd. |

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of Sarthak Industries Limited will be held at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400009 on Monday, the 24th September, 2018 at 1.00 p.m. to transact the following businesses:

ORDINARY BUSINESSSES

1. To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2018 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Deepika Arora (DIN: 07117491) who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESSSES

3. To ratify and confirm payment of remuneration of Cost Auditors for the financial year ending March 31st, 2019 and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such Orders, Rules, Notifications, as may be promulgated by the appropriate authorities in this regard, the remuneration of Rs. 20,000/- (Rs. Twenty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2019 as approved by the Board of Directors of the Company, payable to M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308) for conducting the audit of the cost records of the Company be and is hereby ratified and confirmed.”

4. To approve the appointment of Mr. Nimishek Ved (DIN: 07362817) as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made there under (including any statutory modification(s) or re enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nimishek Ved (DIN: 07362817), who was appointed as an Additional Director of the Company with effect from 27th November, 2017 and whose term of office expires at this Annual General Meeting and who has offered himself for appointment as Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years w.e.f. 30.06.2018 and he shall not be liable to retire by rotation.

5. To approve the re-appointment of Mr. Vijay Rathi (DIN: 01474776) as an Independent Director of the Company and in this regard 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 Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Vijay Rathi (DIN: 01474776), who was appointed as an Independent Director of the Company at the 30th Annual General Meeting of the Company and who holds office of the Independent Director up to 31st March, 2019 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 1st April, 2019 to 31st March, 2024.”

6. To approve the re-appointment of Mr. Udesh Dassani (DIN: 00511709) as an Independent Director of the Company and in this regard 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 Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Udesh Dassani (DIN: 00511709), who was appointed as an Independent Director of the Company at the 30th Annual General Meeting of the Company and who holds office of the Independent Director up to 31st March, 2019 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 1st April, 2019 to 31st March, 2024.”

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2018

AMIT JAIN
COMPANY SECRETARY



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **A PERSON SHALL ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3. Register of Members and Share Transfer Books of the Company will remain closed from **17th September, 2018 to 24th September, 2018** (both days inclusive).
4. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item no. 3 to 6 of the notice set out above, is annexed hereto.
5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 26th September, 2017.
6. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
8. SEBI has mandated that transfer of securities would be carried out in dematerialized form only with effect from 05.12.2018. As per the said amendment 'except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository'. The shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized before 05.12.2018.
9. As per the Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the following documents/ information are required to be submitted by members holding shares in physical form:
 - i. Self attested copy of the PAN Card (All the holders in case of joint holding), and
 - ii. Original Cancelled Cheque bearing name of the shareholder OR Copy of Bank Passbook/ Statement showing name of account holder attested by bank having MICR/IFSC etc. (of the first holder in case of joint holding).Members holding shares in physical form are requested to submit the above mentioned details/ documents to Registrar & Share Transfer Agent (RTA) Sarthak Global Limited, 170/10, Film Colony, R.N.T. Marg, Indore (MP) 452001.
10. **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.
11. 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.
12. The Notice of Annual General Meeting and Annual Report of the Company for the year 2017-18, circulated to the Members of the Company, is available on the Company's website viz. www.sarthakindustries.com.
13. **Remote E-Voting**

(I) In compliance with provisions of Section 108 of the Companies Act, 2013 read with the relevant Rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (I) The remote e-voting period begins on Friday, 21st September, 2018 at 9.00 a.m. and ends on Sunday, 23rd September, 2018 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 17th September, 2018 i.e. cut-off date (record date), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.



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

| | |
|---|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first letter of their name and the 9 digits of the sequence number (which is printed on address sticker), in the PAN field.</p> <p>• In case the sequence number is less than 9 digits enter the applicable number of 0's before the number after the first character of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter R000000001 in the PAN field.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p> |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "SARTHAK INDUSTRIES LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from google playstore. Iphone and Windows phone users can download the app from the App store and Windows phone store respectively. Please follow the Instructions as prompted by the mobile app while voting on your mobile
- (xx) Note for Non-Individual Shareholders & Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (II) (a) Mr. L. N. Joshi, FCS 5201, Practicing Company Secretary (CP No 4216) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (b) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.



14. Voting is provided to the members through remote e-voting and at the annual general meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
15. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
16. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.
17. At the meeting, after all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for remote e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.
18. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sarthakindustries.com not later than 48 hours of conclusion of the Annual General Meeting of the Company and will be communicated to the Stock Exchange(s).
19. A route map and prominent land mark for easy location to the venue of AGM is attached to this Notice.

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2018

AMIT JAIN
COMPANY SECRETARY



ANNEXURE TO THE NOTICE

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 3:

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses.

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

The Board recommends the Ordinary Resolution at Item No. 3 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 3 of the Notice.

Item No. 4:

Mr. Nimishek Ved (DIN: 07362817) was appointed by the Board as an additional director of the Company w.e.f. 27th November, 2017 and he holds office up to the date of the ensuing Annual General Meeting. The Board appointed him as Independent Director of the Company for a period of 5 years w.e.f. 30.06.2018 subject to approval of members in general meeting.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") along with the deposit of the requisite amount proposing his candidature for the office of Director of the Company.

Mr. Nimishek Ved has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

Section 149(10) of the Act provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Act, states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Nimishek Ved as an independent director of the Company to hold office for a term of 5 years w.e.f. 30.06.2018.

Pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, Details of Mr. Nimishek Ved are provided and form a part of the Notice.

A copy of the draft letter of appointment of Mr. Nimishek Ved as an Independent Director, setting out the terms and conditions, is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

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

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

Item No. 5 and 6:

In the 30th Annual General Meeting held on 10.09.2014, Mr. Vijay Rathi (DIN: 01474776) and Mr. Udeshe Dassani (DIN: 00511709) were appointed as Independent Directors of the Company for a term of five years.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, their background and experience and contributions made by them during their tenure, considers that, the continued association of aforesaid Independent Directors would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, they are proposed to be re-appointed as Independent Directors of the Company, not liable to retire by rotation, for second term of 5 (five) consecutive years on the Board of the Company.

The Proposed appointees are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declaration from appointees that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, proposed appointees fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. They are independent of the management. Copy of draft letter of appointment of proposed appointees setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 am to 12:00 pm up to the date of the AGM.

The Company has received notices in writing under section 160 of the Act, proposing their candidature for the office of Director of the Company.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

Pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, Details of Mr. Vijay Rathi and Mr. Udeshe Dassani are provided and form a part of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 and 6 of the Notice for approval by the members.

Save and except above respective Independent Directors himself, none of the other Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the special resolution set out at Item No. 5 and 6 of the Notice.

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2018

AMIT JAIN
COMPANY SECRETARY



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

| Name of Director | MS. DEEPIKA ARORA (DIN: 07117491) | MR. NIMISHEKVED (DIN : 07362817) | MR. VIJAY RATHI (DIN: 01474776) | MR. UDESH DASSANI (DIN: 00511709) |
|--|--|--|--|---|
| Date of Birth | 03.05.1983 | 04.04.1980 | 07.01.1952 | 11.02.1973 |
| Age | 35 years | 38 years | 66 Years | 45 years |
| Date of first appointment | 16.03.2015 | 27.11.2017 | 28.01.2004 | 24.03.2004 |
| Expertise / Experience in specific functional areas | She is having vast experience in the field of finance. | He is having more than 17 years of experience in Infrastructure, Telecom, Real Estate, Dairy, Transaction Advisory, M&A, Project Funding, Government projects under PPP Model including BOT, Annuity, DBFOT projects, worked in MNC at senior position as CEO for its Indian operation including business integration. | He is presently practicing as a Chartered Accountant and having vast experience in conducting stock audits of various banks. | He is presently practicing as a Chartered Accountant and having vast experience in accounts and audit. |
| Qualification | C.A. | C.A. | M.A., M.Com., LL.B., FCA | LL.B., FCA |
| Terms and Conditions of Appointment/ Re-appointment | As per the resolution passed by the shareholders at the Annual General Meeting held on 22nd September, 2015. | As provided in the resolution at Item No. 4 of the Notice of this Annual General Meeting. | As per the resolution at item no. 5 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Vijay Rathi is proposed to be re-appointed as an Independent Director. | As per the resolution at item no. 6 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Udesht Dassani is proposed to be re-appointed as an Independent Director. |
| Remuneration last drawn (Sitting fee during 2017-18) | Rs. 6,000 as Sitting Fee during the financial year 2017-18. | Rs. 3,000 as Sitting Fee during the financial year 2017-18. | Rs. 15,000 as Sitting Fee during the financial year 2017-18 | Rs. 10,000 as Sitting Fee during the financial year 2017-18. |
| Remuneration proposed to be paid | As per existing terms and conditions | As provided in the resolution at Item No. 4 of the Notice of this Annual General Meeting. | As per the resolution at item no. 5 of the Notice convening this Meeting read with explanatory statement thereto. | As per the resolution at item no. 6 of the Notice convening this Meeting read with explanatory statement thereto. |
| No. & % of Equity Shares held in the Company (as on 31.03.2018). | Nil | Nil | Nil | Nil |
| Directorship in other Companies (As on 31.03.2018) | Nil | Nil | Anik Industries Ltd. | 1. Brightstar Infrastructure Private Limited 2. RRHL Realty Limited |
| Number of Meetings of the Board attended during the year. | 6 out of 10 | 2 out of 4 | 9 out of 10 | 4 out of 10 |



| | | | | |
|---|--|--|--|---|
| Chairman / Member of the Committees of the Board Directors of other Companies (includes only Audit Committee and Stakeholders' Relationship Committee) | Nil | Nil | Chairman of Audit Committee and Stakeholders' Relationship Committee of Anik Industries Ltd. | Chairman of Audit Committee of RRHL Realty Limited and Brightstar Infrastructure Pvt. Ltd. |
| Chairman/Member of the Committees of the Board of Directors of the Company | Nil | Member of Nomination & Remuneration Committee and Risk Management Committee. | Chairman of Audit Committee, Nomination & Remuneration Committee and Member of Stakeholders' Relationship Committee of Company | Chairman of Stakeholders' Relationship Committee and Member of Audit Committee, and Nomination & Remuneration Committee |
| Relationship between directors inter-se. | Not related to any director of the Company | Not related to any director of the Company | Not related to any director of the Company | Not related to any director of the Company |

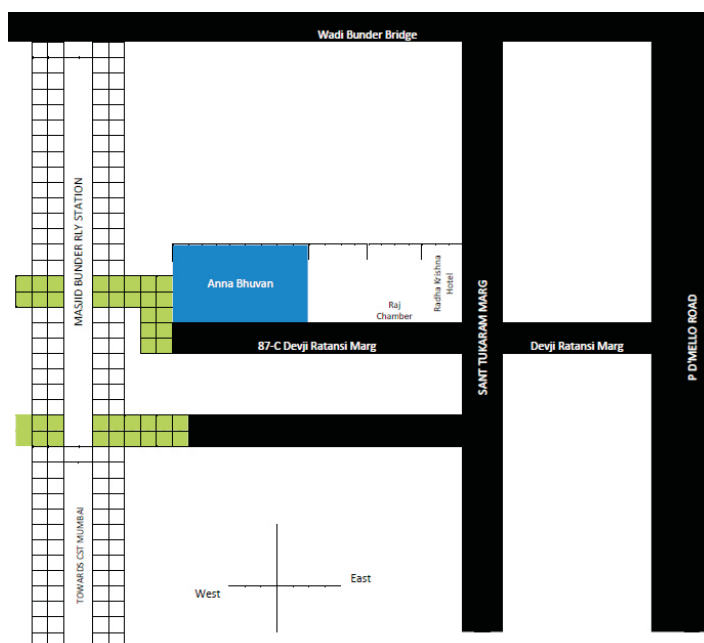
By order of the Board of Directors

Place: Indore
Dated: 14th August, 2018

AMIT JAIN
COMPANY SECRETARY

Sarthak Industries Ltd.
CIN: L99999MH1982PLC136834
Regd. Office: Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder, Mumbai (MH), 400009
Phone: 022-23486740,
Email Id: sarthakindustries@yahoo.in
Website: www.sarthakindustries.com

Route Map to the AGM Venue :





BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 34th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS

The performance of the Company for the financial year ended on 31st March, 2018 is summarized below:

(Rs. In Lacs)

| Particulars | 2017-18 | 2016-17 |
|--|-----------|-----------|
| Revenue from operations and other Income | 12,485.96 | 16,999.45 |
| Profit/ (Loss) before Depreciation & Taxation | 280.62 | 225.74 |
| Less: Depreciation | 65.10 | 54.36 |
| Profit/ (Loss) before tax | 215.52 | 171.38 |
| Less: Tax Expenses | 39.93 | 30.03 |
| Profit/ (Loss) after Taxation | 175.59 | 141.35 |
| Add: Other Comprehensive Income | (5.34) | (57.20) |
| Total Comprehensive Income | 170.25 | 84.15 |
| Balance brought forward from previous year | 2346.85 | 2262.70 |
| Amount available for appropriation | 2517.10 | 2346.85 |
| APPROPRIATION | – | – |
| Amount Carried to Balance sheet | 2517.10 | 2346.85 |
| Paid Up Equity Share Capital | 696.89 | 696.89 |
| Earnings Per share (Rs. 10/- each) Basic & Diluted (in Rs.) | 2.52 | 2.03 |

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017. The financial statements of the Company for the financial year 2017-18 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the other recognized accounting practices and policies to the extent applicable.

DIVIDEND

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

AMOUNT TRANSFERRED TO RESERVE

The Board of Directors has not proposed any amount for transfer to reserves for the year ended 31st March 2018.

OPERATIONS

During the year under review, Revenue from operations and Other Income of the Company stood at Rs. 12,485.96 Lacs showing decreasing trend over the previous year Revenue from operations and Other Income Rs. 16,999.45 Lacs. Profit before tax has increased and stood at Rs. 215.52 Lacs as compared to previous year figures Rs. 171.38 Lacs and Net Profit also increased and stood at Rs. 175.59 Lacs as compared to previous year net profit Rs. 141.35 Lacs. Your Directors are hopeful for better performance in the coming years.

DEPOSITS

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

The Company has not received any unsecured loan from director during the financial year.

SHARE CAPITAL

During the year under review, the Company has not raised any paid up share capital. The Paid up Equity Share Capital as at 31st March 2018 stood at Rs. 6,96,88,500/-. The Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

INSURANCE

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

HUMAN RESOURCE & INDUSTRIAL RELATIONS

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



CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

- i) That in the preparation of the annual accounts for financial year ended 31st March, 2018; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit/ loss of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis;
- v) That the Directors have laid down internal financial controls, which are adequate and are operating effectively;
- vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/ Reappointment:

Ms. Deepika Arora (DIN: 07117491), Director of the Company retires by rotation in accordance with the provisions of the Articles of Association of the Company and being eligible offer herself for re-appointment.

Mr. Nimishek Ved (DIN: 07362817) was appointed by the Board as an additional director w.e.f. 27.11.2017 and he shall hold office up to the date of the ensuing Annual General Meeting. The Board designated him additional cum Independent Director of the Company for the period of five years w.e.f. 30.06.2018 subject to approval of members in general meeting. Your Company has received a notice in writing proposing his candidature for the office of Independent Director.

Mr. Nimishek Ved has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the rules framed thereunder for appointment as Independent director and he is independent of the management.

Section 149(10) of the Act provided that an independent director shall hold office for a term of five consecutive years on the Board. Further, section 149(13) of the Act, states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Nimishek Ved as an independent director of the Company to hold office for a term of five years w.e.f. 30.06.2018.

Further, Mr. Vijay Rathi (DIN: 01474776) and Mr. Udeshe Dassani (DIN: 00511709) were appointed as Independent Directors of the Company for a term of five years in the 30th Annual General Meeting held on 10.09.2014. The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Mr. Vijay Rathi and Mr. Udeshe Dassani for second term of 5 (five) consecutive years commencing from 1st April, 2019 to 31st March, 2024 for approval by the Shareholders.

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

Cessation:

Mr. Sartajsing Chhabra (DIN: 05342507) has resigned from the post of Directorship of the Company w.e.f. 25/11/2017. The Board appreciates the services rendered by him in the capacity of Director.

Declaration by directors:

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

Declaration by Independent Directors:

All Independent Directors have given declarations under section 149(7) that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

LISTING OF SHARES

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE). The listing fee for the year 2018-19 has already been paid to the Stock Exchange.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

During the year 2017-18, M/s Paras Industries Private Limited (Sri Lanka) has been ceased to be associate of the Company.

As on 31.03.2018, the Company does not have any subsidiary company or joint venture or associate company.

NUMBER OF MEETINGS OF THE BOARD

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



CODE OF CONDUCT

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

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

FAMILIARIZATION PROGRAMME

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

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Thus Form AOC 2 is not required.

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

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

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

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

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

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in the "Annexure B" forming part of this report.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first provision to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, and under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 adopted by the Board, is appended as "Annexure C" forming part of this report.

AUDIT COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company has formed a Risk Management Committee to frame, implement and monitor



the Risk Management Plan for the Company. The details of risk have been covered in the Management Discussion and Analysis Report forming part of the Board's report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDITORS & AUDITORS REPORT

M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C) [Formerly known M/s Atishay & Associates] were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 26th September, 2017, for a term of five consecutive years from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company subject to ratification by members at every subsequent Annual General Meeting. In accordance with the Companies Amendment Act, 2017, enforced on 07th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Therefore Company is not seeking any ratification of appointment of M/s SMAK & Co., Chartered Accountants as the auditors of the Company, by the members at ensuing general meeting.

Your Company has received a certificate from M/s SMAK & Co., Chartered Accountants confirming their eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate as required under the provisions of Regulation 33 of the Listing Regulations.

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

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

COST AUDIT

The Board has appointed M/s A. Goyal & Co., Cost Accountants, (Firm Registration No. 101308) as Cost Auditors of the Company for conducting the audit of cost records maintained by the Company for the financial year 2018-19. The Cost Audit Report for the year 2016-17 was filed with the Central Government within the stipulated timeline.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Ajit Jain & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as "Annexure D" forming part of this report.

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

INTERNAL AUDITORS

The Board has appointed M/s 'S K Malani & Co.' (Firm Registration Number: 159090W), as Internal Auditor of the company and takes his suggestions and recommendations to improve and strengthen the internal control systems. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the code as per SEBI (Prohibition of Insider Trading) Regulations, 2015, The Details of the said code is available on website of the Company at the weblink:

<http://www.sarthakindustries.com/Code%20of%20Practices%20and%20Procedures%20for%20fair%20disclosure-SIL.pdf>

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2018.

SIGNIFICANT AND MATERIAL ORDERS

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

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure E" forming part of this report. The same is also available at Company's website www.sarthakindustries.com.

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

The Company has in place an anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director

DIN: 03644480

Place: Indore

Dated: 14th August, 2018

DEEPIKAARORA

Director

DIN: 07117491



ANNEXURE 'A' TO BOARD'S REPORT

Information as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018 are as under.

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy:

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

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

No steps taken during the year 2017-18.

(iii) The capital investment on energy conservation equipments:

No Capital investment on energy conservation equipments during the year 2017-18.

(B) Technology absorption-

(i) The efforts made towards technology absorption:

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

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

The main benefits derived are Quality improvement and Cost reduction.

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

The Company's operations do not require import of technology

(iv) The expenditure incurred on Research and Development:

No expenses have been incurred on Research and Development during the year 2017-18.

(C) Foreign exchange earnings and Outgo

During the year under review, the foreign exchange outgo was Rs. 140.69 Lacs (Previous Year Rs. Rs. 146.01 Lacs) and the foreign exchange earning was Rs. 23.08 Lacs (Previous year Rs. 10.65 Lacs).

ANNEXURE 'B' TO BOARD'S REPORT

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

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

| Name of Directors | Ratio of median remuneration |
|---------------------------|------------------------------|
| Executive Director | |
| Mr. Yogender Mohan Sharma | 5.69 |
| Non-Executive Director | |
| Mr. Udesb Dassani | 0.06 |
| Mr. Vijay Rathi | 0.09 |
| Mr. Sartajsing Chhabra* | -- |
| Ms. Deepika Arora | 0.04 |
| Mr. Nimishek Ved** | -- |

*Mr. Sartajsing Chhabra ceased w.e.f. 25.11.2017 and the remuneration is only for part of the year, therefore details not given.

**Mr. Nimishek Ved appointed w.e.f. 27.11.2017 and the remuneration is only for part of the year, therefore details not given.

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

| Name of Directors, CFO and Company Secretary | % increase in the remuneration in the financial year 2017-18 |
|--|--|
| Mr. Yogender Mohan Sharma (Whole-time Director) | 10.42% |
| Mr. Udesb Dassani (Non-Executive Independent Director) | Nil |
| Mr. Vijay Rathi (Non-Executive Independent Director) | Nil |
| Mr. Sartajsing Chhabra (Non-Executive Director)* | -- |
| Ms. Deepika Arora (Non-Executive Director) | Nil |
| Mr. Nimishek Ved (Non-Executive Director)** | -- |
| Mr. Kailash Kumar Agrawal (Chief Financial Officer) | 9.21% |
| Mr. Amit Jain (Company Secretary) | 9.35% |

*Mr. Sartajsing Chhabra ceased w.e.f. 25.11.2017 and the remuneration is only for part of the year, therefore details not given.

**Mr. Nimishek Ved appointed w.e.f. 27.11.2017 and the remuneration is only for part of the year, therefore details not given.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 17.67%
- (iv) The number of permanent employees on the rolls of Company: 30
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 7.98% whereas the percentile increase in the managerial remuneration for the same financial year 2017-18 was 9.59%. There is normal increase in managerial remuneration as per the industry standard.
- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.
It is affirmed that remuneration is as per the remuneration policy of the Company.



ANNEXURE 'C' TO BOARD'S REPORT

NOMINATION AND REMUNERATION POLICY

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

DEFINITIONS

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

“**Board**” means Board of Directors of the Company.

“**Company**” means “Sarathak Industries Limited”.

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

“**Directors**” means Directors of the Company.

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

“**Key Managerial Personnel**” means:

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

ROLE OF THE COMMITTEE

The role of the Committee is as under:

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

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

I. Appointment criteria and qualifications

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- (c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Agreement.



(d) The proposed appointee shall also fulfill the following requirements for appointment as a director:

- i. Shall possess a Director Identification Number;
- ii. Shall not be disqualified under the Companies Act, 2013;
- iii. Shall give his written consent to act as a Director;
- iv. Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- v. Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- vi. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

II. Removal

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

III. Retirement

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

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

I. Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

II. Remuneration to Non-Executive and Independent Directors

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

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

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

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

III. Remuneration to other employees

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

REVIEW AND AMENDMENT

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

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



ANNEXURE 'D' TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sarthak Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year 01st April, 2017 to 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sarthak Industries Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);
- (vi) Other Laws applicable to the Company as per the representations made by the management.

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

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



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

We further report that

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

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

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

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

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

We further report that the approval of shareholders was obtained by means of postal ballot for the following matters viz.

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

The postal ballot process was conducted, as provided under the provisions mentioned under Section 110 of the Companies Act, 2013, read the Companies (Management and Administration) Rules, 2014.

The result of postal ballot was declared on 19th June, 2017.

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

- (i) Public/Rights/Preferential Issue/debentures/sweat equity.
- (ii) Redemption/ buy-back of Securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Indore

Date: 14th August, 2018

For Ajit Jain & Company
(Company Secretary)

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

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



Annexure I to Secretarial Audit Report

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Indore
Date: 14th August, 2018

For Ajit Jain & Company
(Company Secretary)

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



ANNEXURE 'E' TO BOARD'S REPORT

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SN | Name and Description of main products / services | NIC Code of the Product/service* | % to total turnover of the Company |
|----|--|----------------------------------|------------------------------------|
| 1 | Manufacturing of LPG Cylinders | 2512 | 17.52% |
| 2 | Wholesale of Agricultural raw materials | 4620 | 50.40% |
| 3 | Wholesale of Edible Oils | 4630 | 30.61% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|-------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| - | - | - | - | - | - |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding



| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01-April-2017] | | | | No. of Shares held at the end of the year [As on 31-March-2018] | | | | % Change during the year |
|--|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 14,07,600 | - | 14,07,600 | 20.20 | 14,07,600 | - | 14,07,600 | 20.20 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 11,26,930 | - | 11,26,930 | 16.17 | 11,26,930 | - | 11,26,930 | 16.17 | - |
| e) Banks/ FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 25,34,530 | - | 25,34,530 | 36.37 | 25,34,530 | - | 25,34,530 | 36.37 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs – Individuals | - | - | - | - | - | - | - | - | - |
| b) Other- Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/ FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A)(2):- Total shareholding of Promoter (A)= (A) (1) + (A) (2) | 25,34,530 | - | 25,34,530 | 36.37 | 25,34,530 | - | 25,34,530 | 36.37 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | - | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/ FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 25,86,038 | 4,91,000 | 30,77,038 | 44.15 | 25,86,038 | 4,91,000 | 30,77,038 | 44.15 | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |



| | | | | | | | | | |
|--|-----------|-----------|-----------|-------|-----------|-----------|-----------|-------|--------|
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 41,326 | 2,93,195 | 3,34,521 | 4.80 | 44,226 | 2,92,095 | 3,36,321 | 4.83 | 0.03 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 5,53,285 | - | 5,53,285 | 7.94 | 5,53,285 | - | 5,53,285 | 7.94 | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - |
| i) Overseas Corporate Bodies | - | 4,66,540 | 4,66,540 | 6.69 | - | 4,66,540 | 4,66,540 | 6.69 | - |
| ii) Hindu Undivided Families | 1,101 | - | 1,101 | 0.02 | 1,101 | - | 1,101 | 0.02 | - |
| iii) Non-Resident Indian | 1,835 | - | 1,835 | 0.03 | 35 | - | 35 | 0.00 | (0.03) |
| Sub-total (B)(2):- | 31,83,585 | 12,50,735 | 44,34,320 | 63.63 | 31,84,685 | 12,49,635 | 44,34,320 | 63.63 | - |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 31,83,585 | 12,50,735 | 44,34,320 | 63.63 | 31,84,685 | 12,49,635 | 44,34,320 | 63.63 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 57,18,115 | 12,50,735 | 69,68,850 | 100 | 57,19,215 | 12,49,635 | 69,68,850 | 100 | - |



ii) Shareholding of Promoter-

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2017) | | | Share holding at the end of the year (As on 31.03.2018) | | | % change in share holding during the year |
|---------|------------------------------|--|----------------------------------|---|---|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Manish Shahra | 9,10,000 | 13.06 | - | 9,10,000 | 13.06 | - | - |
| 2 | Manish Shahra (HUF) | 1,40,000 | 2.01 | - | 1,40,000 | 2.01 | - | - |
| 3 | Suresh Chandra Shahra | 1,12,000 | 1.61 | - | 1,12,000 | 1.61 | - | - |
| 4 | Suresh Chandra Shahra (HUF) | 2,10,000 | 3.01 | - | 2,10,000 | 3.01 | - | - |
| 5 | Rishabh Suresh Mahajan | 14,000 | 0.20 | - | 14,000 | 0.20 | - | - |
| 6 | Amrita Shahra | 100 | 0.00 | - | 100 | 0.00 | - | - |
| 7 | Abha Devi Shahra | 3,500 | 0.05 | - | 3,500 | 0.05 | - | - |
| 8 | Bhavna Goel | 500 | 0.01 | - | 500 | 0.01 | - | - |
| 9 | Madhuri Shahra | 1,000 | 0.01 | - | 1,000 | 0.01 | - | - |
| 10 | Mridula Devi Shahra | 2,600 | 0.04 | - | 2,600 | 0.04 | - | - |
| 11 | Vishesh Shahra | 3,150 | 0.05 | - | 3,150 | 0.05 | - | - |
| 12 | Ruchi Mohan | 1,500 | 0.02 | - | 1,500 | 0.02 | - | - |
| 13 | Sandhya Khandelwal | 500 | 0.01 | - | 500 | 0.01 | - | - |
| 14 | Usha Shahra | 2,500 | 0.04 | - | 2,500 | 0.04 | - | - |
| 15 | Shweta Shahra | 6,250 | 0.09 | - | 6,250 | 0.09 | - | - |
| 16 | Deepti Properties Pvt. Ltd. | 1,00,000 | 1.43 | - | 1,00,000 | 1.43 | - | - |
| 17 | Vishal Warehousing Pvt. Ltd. | 1,05,760 | 1.52 | - | 1,05,760 | 1.52 | - | - |
| 18 | Neha Securities Pvt. Ltd. | 1,06,950 | 1.53 | - | 1,06,950 | 1.53 | - | - |
| 19 | Mahakosh Papers Pvt. Ltd. | 3,75,000 | 5.38 | - | 3,75,000 | 5.38 | - | - |
| 20 | Mahakosh Amusement Pvt. Ltd. | 80,000 | 1.15 | - | 80,000 | 1.15 | - | - |
| 21 | Deepti Housing Pvt. Ltd. | 2,22,900 | 3.20 | - | 2,22,900 | 3.20 | - | - |
| 22 | Shahra Securities Pvt. Ltd. | 1,36,320 | 1.96 | - | 1,36,320 | 1.96 | - | - |
| | Total | 25,34,530 | 36.37 | - | 25,34,530 | 36.37 | - | - |

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

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



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

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | ANAND MANGAL INVESTMENT & FINANCE PRIVATE LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 13,85,200 | 19.88 | 13,85,200 | 19.88 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 13,85,200 | 19.88 | 13,85,200 | 19.88 |
| 2. | GIRISH KUMAR PUSHKARLAL AGARWAL | | | | |
| | At the beginning of the year (As on 01.04.2017) | 5,11,200 | 7.34 | 5,11,200 | 7.34 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 5,11,200 | 7.34 | 5,11,200 | 7.34 |
| 3. | ANTARICA RESOURCES LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 4,66,540 | 6.69 | 4,66,540 | 6.69 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 4,66,540 | 6.69 | 4,66,540 | 6.69 |
| 4. | PROMISE SECURITIES PVT. LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 4,00,000 | 5.74 | 4,00,000 | 5.74 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 4,00,000 | 5.74 | 4,00,000 | 5.74 |
| 5. | SELWEL WORLDWIDE TRADE PRIVATE LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 2,58,350 | 3.71 | 2,58,350 | 3.71 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 2,58,350 | 3.71 | 2,58,350 | 3.71 |
| 6. | NEXGEN MINERALS PRIVATE LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 2,41,650 | 3.47 | 2,41,650 | 3.47 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 2,41,650 | 3.47 | 2,41,650 | 3.47 |
| 7. | SHIELD TRADELINKS PRIVATE LIMITED | | | | |
| | At the beginning of the year (As on 01.04.2017) | 2,28,500 | 3.28 | 2,28,500 | 3.28 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 2,28,500 | 3.28 | 2,28,500 | 3.28 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 8. | GAGANDEEP EXPORT PVT. LTD. | | | | |
| | At the beginning of the year (As on 01.04.2017) | 1,50,000 | 2.15 | 1,50,000 | 2.15 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 1,50,000 | 2.15 | 1,50,000 | 2.15 |
| 9. | REHVA ESTATE PVT. LTD. | | | | |
| | At the beginning of the year (As on 01.04.2017) | 1,00,000 | 1.43 | 1,00,000 | 1.43 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 1,00,000 | 1.43 | 1,00,000 | 1.43 |
| 10. | GREAT EASTERN INFRA. CORP. PVT. LTD. | | | | |
| | At the beginning of the year (As on 01.04.2017) | 70,000 | 1.00 | 70,000 | 1.00 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | 70,000 | 1.00 | 70,000 | 1.00 |

v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Mr. Yogender Mohan Sharma | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 2. | Mr. Udesh Dassani | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 3. | Mr. Vijay Rathi | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |

| | | | | | |
|----|---|---------------------------|---|---|---|
| 4. | Mr. Sartajsing Chhabra (Resigned w.e.f. 25/11/2017) | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 5. | Mr. Nimishek Ved (Appointed on 27/11/2017) | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 5. | Ms. Deepika Arora | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 6. | Mr. Kailash Kumar Agarwal (CFO) | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |
| 7. | Mr. Amit Jain (Company Secretary) | | | | |
| | At the beginning of the year (As on 01.04.2017) | - | - | - | - |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No change during the year | | | |
| | At the end of the year (As on 31.03.2018) | - | - | - | - |



V. INDEBTEDNESS

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

(Rs. in Lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| I) Principal Amount | 218.76 | 523.41 | - | 742.17 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 218.76 | 523.41 | - | 742.17 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | 442.69 | - | 442.69 |
| * Reduction | 15.13 | - | - | (15.13) |
| Net Change | (15.13) | 442.69 | - | 427.56 |
| Indebtedness at the end of the financial year | | | | |
| I) Principal Amount | 203.63 | 966.10 | - | 1169.73 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 203.63 | 966.1 | - | 1169.73 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Rs. in Lacs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|------------|---|---|--------------|
| | | Mr. Yogender Mohan Sharma (Whole-time Director) | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 9.54 | 9.54 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - |
| 5 | Others, please specify | - | - |
| | Total (A) | 9.54 | 9.54 |
| | Ceiling as per the Act | | 24.68 |



B. Remuneration to other directors

(Rs. in Lacs)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|---|-------------------|------------------------|-----------------|-------------------|------------------|--------------|
| | | Mr. Udesb Dassani | Mr. Sartajsing Chhabra | Mr. Vijay Rathi | Ms. Deepika Arora | Mr. Nimishek Ved | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board committee meetings | 0.1 | - | 0.15 | - | 0.03 | 0.28 |
| | Commission | - | - | - | - | - | |
| | Others, please specify | - | - | - | - | - | |
| | Total (1) | | | | | | |
| 2 | Other Non-Executive Directors | | | | | | |
| | Fee for attending board committee meetings | - | 0.03 | - | 0.06 | - | 0.09 |
| | Commission | - | - | - | - | - | |
| | Others, please specify | - | - | - | - | - | |
| | Total (2) | - | - | - | - | - | |
| | Total (B)=(1+2) | 0.1 | 0.03 | 0.15 | 0.06 | 0.03 | 0.37 |
| | Total Managerial Remuneration (Total of A and B)* | | | | | | 9.91 |
| | Overall Ceiling as per the Act** | | | | | | 24.68 |

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

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

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

(Rs. in Lacs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|---|-----------------------------------|-------|
| | | Mr. Kailash Kumar Agarwal (Chief Financial Officer) | Mr. Amit Jain (Company Secretary) | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 13.50 | 11.40 | 24.90 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 13.50 | 11.40 | 24.90 |



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director
DIN: 03644480

DEEPIKAARORA

Director
DIN: 07117491

Place: Indore

Dated: 14th August, 2018



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 and Real estate activity in India.

During the year 2017-18, the Company's performance was satisfactory as compared to last year. The Management is hopeful that Company's future is bright in the coming years.

Merchant Trading

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

Segment-wise or product-wise performance

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

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

The segment wise performance in detail is given in Note 42 to the audited accounts of the Company as available in this Annual Report.

Outlook

The Financial year 2017-18 was an eventful year for adoption of Goods and Service Tax (GST). It continues to be a challenging year for the global economy as well as Indian economy. The Company has increased its profit as compared to last year. The Management is hopeful that in future, the Company will grow its manufacturing and trading activities and will get good orders for the manufacturing of cylinders as well as repairing of old cylinders. The Company is also starting a commercial real estate mall project in Indore (MP).

Risk and concerns

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

Internal control system and their adequacy

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

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

Financials

The performance of the Company for the financial year 2017-18 is summarized below:

Rs. in Lacs

| | Balance Sheet | As at March 31, 2018 | As at March 31, 2017 |
|----|-------------------------------|-------------------------|-------------------------|
| a. | Property, Plant and Equipment | 1,504.07 | 2,879.49 |
| b. | Capital Work-in-progress | 154.69 | 160.72 |
| c. | Financial Assets | 502.16 | 734.47 |
| d. | Other Non-current assets | 109.94 | 95.53 |
| e. | Current assets | 3,838.76 | 4,263.70 |
| f. | Total Equity | 3,213.99 | 3,043.74 |
| g. | Non-current liabilities | 1,173.47 | 746.98 |
| h. | Current liabilities | 3,124.80 | 4,345.92 |



Summarized Profit and Loss Account

(Rs. In Lacs)

| Particulars | 2017-18 | 2016-17 |
|---|-----------|-----------|
| Revenue from operations and other Income | 12,485.96 | 16,999.45 |
| Profit/ (Loss) before Depreciation & Taxation | 280.62 | 225.74 |
| Less: Depreciation | 65.10 | 54.36 |
| Profit/ (Loss) before tax | 215.52 | 171.38 |
| Less: Tax Expenses | 39.93 | 30.03 |
| Profit/ (Loss) after Taxation | 175.59 | 141.35 |
| Add: Other Comprehensive Income | (5.34) | (57.20) |
| Total Comprehensive Income | 170.25 | 84.15 |
| Balance brought forward from previous year | 2346.85 | 2262.70 |
| Amount available for appropriation | 2517.10 | 2346.85 |
| APPROPRIATION | – | – |
| Amount Carried to Balance sheet | 2517.10 | 2346.85 |
| Paid Up Equity Share Capital | 696.89 | 696.89 |
| Earnings Per share (Rs.10/- each) Basic & Diluted (in Rs.) | 2.52 | 2.03 |

Material development in Human Resources / Industrial Relations front

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

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

Cautionary Statement

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



CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

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

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

BOARD OF DIRECTORS

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

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

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

A) COMPOSITION AND CATEGORY OF DIRECTORS

| Name of the Director | Category | Attendance | | No. of Directorship/ Committee Positions held in other Public Limited Companies. | | | No. of Shares held by Non Executive Director as on 31.03.18 |
|-------------------------------------|------------------------|------------|----------|--|-------------------------|-----------------------|---|
| | | Board | Last AGM | Directorship | Committee Chairmanship* | Committee Membership* | |
| Mr. Yogender Mohan Sharma | Whole-time Director | 08 | Yes | 01 | 01 | 01 | N.A. |
| Mr. Vijay Rathi | Independent Director | 09 | No | 01 | 02 | -- | Nil |
| Mr. Udesh Dassani | Independent Director | 04 | No | 02 | 02 | -- | Nil |
| Mr. Sartajsing Chhabra [^] | Non-Executive Director | 02 | No | 01 | 01 | 01 | Nil |
| Ms. Deepika Arora | Non-Executive Director | 06 | No | -- | -- | -- | Nil |
| Mr. Nimishek Ved [#] | Non-Executive Director | 02 | N.A. | -- | -- | -- | Nil. |

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

[^] Mr. Sartajsing Chhabra has resigned from the directorship of the company w.e.f. 25.11.2017

[#] Mr. Nimishek Ved has been appointed as a Additional Director of the company w.e.f. 27.11.2017

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

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

B) BOARD PROCEDURE

During the financial year 2017-18, the Board of Directors met 10 times on the following dates: 11th May, 2017, 30th May, 2017, 24th July, 2017, 02nd August, 2017, 28th August, 2017, 14th September, 2017, 27th November, 2017, 14th December, 2017, 14th February, 2018 and 22nd March, 2018. The gap between two meetings did not exceed one hundred twenty days. The dates of meetings were generally decided in advance.

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

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

BOARD COMMITTEES

Presently the Board has following committees:



A) AUDIT COMMITTEE

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

a) Members of Committee:

The Composition of Audit Committee as on 31.03.2018 is as under:

| | | |
|---------------------------|---|----------|
| Mr. Vijay Rathi | : | Chairman |
| Mr. Udesb Dassani | : | Member |
| Mr. Yogender Mohan Sharma | : | Member |

The Company Secretary is the Secretary of the Committee.

b) Brief terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act,
 - ii. Changes, if any, in accounting policies and practices and reasons for the same,
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management,
 - iv. Significant adjustments made in the financial statements arising out of audit findings,
 - v. Compliance with listing and other legal requirements relating to financial statements,
 - vi. Disclosure of any related party transactions,
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
21. To review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
22. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

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



- c) Due to bad health, the Chairman of audit committee was not able to join Annual General Meeting held on 26th September, 2017.
- d) Dates of the Audit Committee meetings and attendance:
The Committee met 7 (Seven) times during the year on the following dates:
11th May, 2017; 30th May, 2017; 02nd August, 2017; 28th August, 2017; 14th September, 2017; 14th December, 2017 and 14th February, 2018.
Mr. Vijay Rathi and Mr. Udesb Dassani have attended 7 (Seven) meetings, Mr. Yogender Mohan Sharma has attended 6 (Six) meetings.

B) NOMINATION AND REMUNERATION COMMITTEE

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

a) Members of Committee:

The Composition of Nomination and Remuneration Committee as on 31.03.2018 is as under:

| | | |
|-------------------|---|----------|
| Mr. Vijay Rathi | : | Chairman |
| Mr. Udesb Dassani | : | Member |
| Mr. Nimishek Ved | : | Member |

b) Brief terms of reference:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. To carry out evaluation of every Director's performance;
4. To devise a policy on Board diversity;
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
6. To recommend to the Board on remuneration payable to the Directors, Key managerial personnel and senior management.
7. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks;
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

c) Dates of the Nomination and Remuneration Committee meetings and attendance:

The Committee met 3 (Three) times during the year on the following dates:

28th August, 2017, 27th November, 2017 and 22nd March, 2018.

Mr. Vijay Rathi and Mr. Udesb Dassani have attended 3 (Three) meetings. Mr. Sartajsing Chhabra (Ceased w.e.f. 25.11.2017) and Mr. Nimishek Ved (Appointed w.e.f. 27.11.2017) have attended 1 (One) meeting.

- d) The details relating to remuneration of Directors, as required under the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, have been given under a separate heading, viz. 'DETAILS OF REMUNERATION TO DIRECTORS' in this report.
- e) The Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and others matters is attached as "Annexure C" to the Board's Report.
- f) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes attendance, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

a) Members of Committee:

The Composition of Stakeholders' Relationship Committee as on 31.03.2018 is as under:



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

- b) Name and designation of compliance officer: Mr. Amit Jain, Company Secretary.
- c) During the financial year 2017-2018, the committee held 4 (Four) meetings on following dates:
 05th June, 2017; 18th August, 2017; 16th November, 2017 and 16th February, 2018.
 Mr. Udesb Dassani and Mr. Vijay Rathi have attended 2 (Two) meetings and Mr. Yogender Mohan Sharma has attended 4 (Four) meetings.
- d) No investor complaints were received during the financial year 2017-18. All valid share transfers received during the year 2017-18 have been acted upon by the Company and as on 31st March, 2018 there were Nil shares pending for transfer.

D) RISK MANAGEMENT COMMITTEE

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

- a) Members of Committee:
 The Composition of Risk Management Committee as on 31.03.2018 is as under:
 Mr. Yogender Mohan Sharma : Chairman
 Mr. Kailash Kumar Agarwal : Member
 Mr. Nimishek Ved : Member (w.e.f. 27.11.2017)
- b) The Committee met two times during the year on 14th September, 2017 and 08th March, 2018.
 Mr. Yogender Mohan Sharma and Mr. Kailash Kumar Agarwal have attended 2 (Two) meetings. Mr. Sartajsing Chhabra (Ceased w.e.f. 25.11.2017) and Mr. Nimishek Ved (Appointed w.e.f. 27.11.2017) have attended 1 (One) meeting.

DETAILS OF REMUNERATION TO DIRECTORS

A. REMUNERATION TO EXECUTIVE DIRECTORS

The particulars of remuneration of executive director during the financial year 2017-18 are as under:

(Rs. in Lacs)

| Name | Designation | Salary | Perquisites | Total |
|---------------------------|---------------------|--------|-------------|-------|
| Mr. Yogender Mohan Sharma | Whole-time Director | 9.54 | - | 9.54 |

As on 31st March, 2018, Non executive Directors were holding Nil Shares of the Company.

B. REMUNERATION TO NON-EXECUTIVE DIRECTOR

The Non-Executive Directors are paid sitting fees for every meeting of the Board and/or Committee attended by them. No commission was paid or payable to the Non-Executive Directors during the financial year 2017-18.

The sitting fees paid to all Non-Executive Directors for attending meetings of the Board and/or Committee thereof for the year ended 31.03.2018 is as follows:- Mr. Vijay Rathi – Rs. 0.15 Lacs, Mr. Udesb Dassani – Rs. 0.10 Lacs, Mr. Sartajsing Chhabra – Rs. 0.03 Lacs, Mr. Nimishek Ved Rs. 0.03 Lacs and Ms. Deepika Arora – Rs. 0.06 Lacs.

Service Contracts, Severance Fees and Notice Period

Mr. Yogender Mohan Sharma was appointed as whole-time director of the Company for a period of 5 years w.e.f. 15th July, 2014.

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

Stock Option details

The company has not granted any stock option to any of its director/employees.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

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

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

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



GENERAL BODY MEETINGS

Annual General Meetings

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

| YEAR | VENUE | DATE | TIME | SPECIAL RESOLUTION PASSED |
|---------|---|------------|------------|---|
| 2014-15 | Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009 | 22/09/2015 | 4.30 p.m. | No Special Resolution passed. |
| 2015-16 | Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009 | 30/09/2016 | 11.00 a.m. | Special Resolution passed for Authorization to the Board of Directors under Section 186 of the Companies Act, 2013. |
| 2016-17 | Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009 | 26/09/2017 | 12:30 p.m. | No Special Resolution passed. |

Extra-ordinary General Meeting

During the financial year 2017-18, no Extra Ordinary General Meeting of the Company was held.

Postal Ballot

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

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

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

RECONCILIATION OF SHARE CAPITAL AUDIT

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

DISCLOSURES

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

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

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

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

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

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

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

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

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

Disclosure of commodity price risks and commodity hedging activities:

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



MEANS OF COMMUNICATIONS

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

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF ANNUAL REPORT

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

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

GENERAL SHAREHOLDERS INFORMATION

Date, Time & Venue of the Annual General Meeting

24th September, 2018 at 1:00 p.m. at
Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana
Bunder, Mumbai (MH) - 400 009

Financial Year

01st April, 2017 – 31st March, 2018

Dividend Payment Date

No Dividend was recommended by the Board of the Directors for financial 2017-18

Suspension of Securities

Nil

Financial Calendar

Financial Reporting (tentative) for Quarter ending

| | |
|--------------------|------------------|
| June 30, 2018 | - August, 2018 |
| September 30, 2018 | - November, 2018 |
| December 31, 2018 | - February, 2019 |
| March 31, 2019 | - May, 2019 |

Date of book closure

17th September, 2018 to 24th September, 2018 (Both days inclusive)

Listing on Stock Exchanges at

The Bombay Stock Exchange Ltd. (BSE)

Listing fees

Paid to the Bombay Stock Exchange (BSE) for the financial year 2017-18.

Electronic connectivity

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

ISIN No. at NSDL / CDSL

INE 074 H01012

REGISTERED OFFICE

Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder,
Mumbai-400009 (MH)
Phone: 022-23486740
Email Id: sarthakindustries@yahoo.in
Website: www.sarthakindustries.com

CORPORATE OFFICE

214, Trade Centre, South Tukoganj,
Indore-452001(M.P.)
Phone: 0731-2527949

WORKS

LPG Cylinder Unit, Pithampur Industrial Area,
Village Akoliya, District Dhar, (M.P.)
Phone: 07292-296766

Company's Code / Symbol / Series on Stock Exchange

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

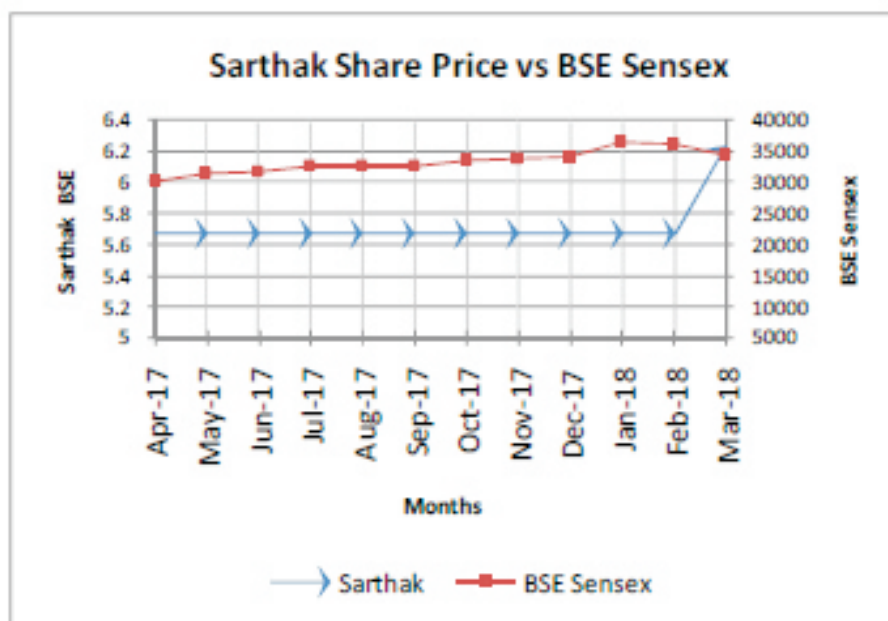


Market Price Data

The monthly high & low share prices of the Company traded at the Bombay Stock Exchange from 1st April, 2017 to 31st March, 2018 are given below:

| Month | The Bombay Stock Exchange Ltd. | |
|--------------|--------------------------------|-----------------------|
| | Month High Price (Rs.) | Month Low Price (Rs.) |
| April-17 | --- | --- |
| May-17 | --- | --- |
| June-17 | --- | --- |
| July-17 | --- | --- |
| August-17 | --- | --- |
| September-17 | --- | --- |
| October-17 | --- | --- |
| November-17 | --- | --- |
| December-17 | --- | --- |
| January-18 | --- | --- |
| February-18 | --- | --- |
| March -18 | 6.24 | 5.95 |

Share Price Performance in comparison to BSE Sensex as on March 31, 2018:



Investors' correspondence may be addressed to

Mr. Amit Jain
Company Secretary and Compliance Officer
Sarathak Industries Limited
Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder
Mumbai (MH) - 400 009
Tel. No.: +91-22-23486740
Email: sarthakindustries@yahoo.in



Distribution of Equity Shareholding and its pattern as on 31st March, 2018

| Distribution of Equity Shareholding 31.03.2018 | | | |
|---|----------------|----------------------|----------------|
| Share Class | | No. of Equity Shares | |
| No. of Shares | No. of Holders | No. of shares held | Shareholding % |
| Up to 500 | 437 | 165323 | 2.37 |
| 501-1000 | 156 | 129291 | 1.86 |
| 1001-2000 | 13 | 19032 | 0.27 |
| 2001-3000 | 9 | 22249 | 0.32 |
| 3001-4000 | 2 | 6650 | 0.10 |
| 4001-5000 | 3 | 13250 | 0.19 |
| 5001-10000 | 1 | 9000 | 0.13 |
| 10001 and above | 30 | 6604055 | 94.77 |
| Total | 651 | 69,68,850 | 100.00 |

| Shareholding Pattern | | |
|---------------------------|------------------|----------------|
| Category | No. of Shares | Shareholding % |
| Promoters | 25,34,530 | 36.37 |
| Domestic Corporate Bodies | 30,77,038 | 44.15 |
| Indian Public | 8,90,707 | 12.78 |
| NRI/OCBs/FIIs | 4,66,575 | 6.70 |
| Total | 69,68,850 | 100.00 |

Share Transfer Agent (Transfer in physical/electronic form and other related correspondence)

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

Dematerialization of shares and Liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE 074 H01012. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories, holding Company's share in demat mode. As on 31st March, 2018 out of 69,68,850 equity shares of Rs. 10/- each, 57,19,215 equity shares which is 82.07% of total equity are now held in electronic form.

Share transfer system

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

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

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

Address for correspondence

214, Trade Centre,
South Tukoganj, Indore, (MP) – 452 001
Tel.: + 91-731- 2527949
Email: sarthakindustries@yahoo.in

Declaration on Compliance of Code of Conduct

The Board members & senior management personnel have affirmed compliance with the code of conduct for the directors & senior management for the year ended 31st March, 2018.

For Sarthak Industries Limited

Place: Indore
Dated: 14th August, 2018

YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480



CEO/CFO CERTIFICATION

To
The Board of Directors,
Sarthak Industries Ltd.

In relation to the Audited Financial Accounts of the Company as at March 31, 2018, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee, wherever applicable:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480

Place: Indore
Dated: 30th May, 2018

KAILASH KUMAR AGARWAL
CFO



Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To
The Members of
SARTHAK INDUSTRIES LIMITED

1. We have examined the compliances of conditions of corporate governance by Sarthak Industries Limited for the year ended March 31, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management Responsibility

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

Auditors Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.
8. We state that such compliance is neither an assurance as to the further viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SMAK & CO.,**
CHARTERED ACCOUNTANTS
(Firm Reg. No. 020120C)

CA SHRIDHAR MANDHANYA
Partner
(Membership No. 421425)

Place : Indore
Dated: 14th August, 2018



Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Sarthak Industries Limited ("The Company") which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This Responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30.05.2017 and 30.05.2016 respectively expressed an unmodified opinion on those financial statements and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, to comply with Ind AS have been audited by us.

Our opinion on the financial statements above and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



2. As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian accounting standards specified under section 133 of the act, read with rules framed thereunder.
- e) On the basis of the written representations received from the directors as on 31st March 2018 taken on records by the Board of Director, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to be best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statement – refer note 34 to the financial statement;
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For SMAK & Co.
Chartered Accountants
(Firm Reg. No. 020120C)

CA Shridhar Mandhanya
Partner
M. No. 421425

Date: 30.05.2018
Place : Indore



Annexure A to Independent Auditor's Report

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sarthak Industries Limited on the Ind AS financial statements for the year ended 31st March, 2018.

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

| Particulars | No. of cases | Gross Block as at 31st March 2018 (Rs. in lacs) | Net Block as at 31st March, 2018 (Rs. in lacs) | Remarks |
|----------------|--------------|---|--|---|
| Leasehold Land | 1 | 578.11 | 578.11 | Land allotted by Indore Development Authority (IDA) the possession of which have been handed over but lease deed of the same is executed on 04/05/2018. |
| Freehold Land | 1 | 1397.00 | 1397.00 | The title deeds are in the name of erstwhile Company that was amalgamated with the company in the year 2011-12. |

- ii. In respect of its Inventories:
- The inventories has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed.
- iii. According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to company, firm, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion the provisions of para 3 (iii) of the Order is not applicable to the company.
 - iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given and investments made. The company has not given any guarantee or provided any security in terms of section 185 and 186 of the Act.
 - v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
 - vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - vii. In respect of Statutory dues :
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, goods and service tax, duties of customs, duties of excise which have not been deposited with appropriate authorities on account of any dispute except as follows :



| Name of the Statute | Nature of Dues | Amount Involved Rs. # | Period to which amount relates | Forum where dispute is pending |
|-----------------------------|----------------|-----------------------|--------------------------------|---|
| Central Sales Tax Act, 1956 | Sales Tax | 4.38 | 2009-10 & 2010-11 | MP Commercial Tax Appellate Board |
| Bombay Sales Tax Act, 1959 | Sales Tax | 8.39 | 1998-99 | Hon. Judicature of High Court at Bombay |
| Bombay Sales Tax Act, 1959 | Sales Tax | 39.35 | 2001-02 | Maharashtra Sales Tax Tribunal, Mumbai. |
| Bombay Sales Tax Act, 1959 | Sales Tax | 82.35 | 2002-03 | Maharashtra Sales Tax Tribunal, Mumbai. |
| Income Tax Act, 1961 | Income Tax | 73.65 | FY 2010-11, 2012-13, 2013-14 | Comm. of Income Tax (Appeal) |

Net of amount deposited

- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to a financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and In our opinion and according to the information and explanations given to us, the company has not obtained any term loan during the year.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the company by the officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore the provision of para 3 (xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year, hence the provision of para 3 (xv) of the Order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) of the Order is not applicable to the company for the year under audit.

For SMAK & Co.
Chartered Accountants
(Firm Reg. No. 020120C)

CA Shridhar Mandhanya
Partner
M. No. 421425

Date: 30.05.2018
Place: Indore



Annexure B To the Independent Auditor's Report of even date on the Ind AS Financial Statements of Sarthak Industries Limited

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

We have audited the internal financial controls over financial reporting of Sarthak Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SMAK & Co.
Chartered Accountants
(Firm Reg. No. 020120C)

CA Shridhar Mandhanya
Partner
M. No. 421425

Date: 30.05.2018
Place : Indore



SARTHAK INDUSTRIES LIMITED
CIN: L99999MH1982PLC136834
BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount ₹ in lacs)

| Particulars | Note No. | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|----------|---------------------------|---------------------------|--------------------------|
| I. ASSETS | | | | |
| (1) Non-Current Assets | | | | |
| (a) Property, Plant and Equipment | 1 | 1504.07 | 2879.49 | 2488.67 |
| (b) Capital work-in-progress | 2 | 154.69 | 160.72 | 149.38 |
| (c) Other Intangible Assets | 3 | 0.49 | 0.00 | 0.00 |
| (d) Financial Assets | | | | |
| (i) Investments | 4 | 285.82 | 347.46 | 152.81 |
| (ii) Loans | 5 | 201.17 | 303.36 | 301.55 |
| (iii) Other financial assets | 6 | 15.17 | 83.65 | 27.70 |
| (e) Deferred tax assets (net) | 7 | 5.15 | 2.73 | 5.85 |
| (f) Other non-current assets | 8 | 109.94 | 95.53 | 225.65 |
| Total Non-Current Assets | | 2276.50 | 3872.94 | 3351.61 |
| (2) Current Assets | | | | |
| (a) Inventories | 9 | 323.94 | 411.94 | 1582.80 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 10 | 1445.04 | 900.39 | 1630.64 |
| (ii) Cash and cash equivalents | 11 | 356.35 | 91.28 | 225.63 |
| (iii) Bank balances other than (ii) above | 12 | 147.31 | 93.56 | 182.63 |
| (iv) Loans | 13 | 638.22 | 2227.82 | 2007.09 |
| (v) Other financial assets | 14 | 492.65 | 513.20 | 465.12 |
| (c) Other current assets | 15 | 435.25 | 25.51 | 101.74 |
| Total Current Assets | | 3838.76 | 4263.70 | 6195.65 |
| (3) Non Current Assets held for sale | | | | |
| | 16 | 1397.00 | 0.00 | 0.00 |
| TOTAL ASSETS | | 7512.26 | 8136.64 | 9547.26 |
| II. EQUITY AND LIABILITIES | | | | |
| (1) Equity | | | | |
| (a) Equity share capital | 17 | 696.89 | 696.89 | 696.89 |
| (b) Other equity | 18 | 2517.10 | 2346.85 | 2262.70 |
| Total Equity | | 3213.99 | 3043.74 | 2959.59 |
| (2) Non-Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| Borrowings | 19 | 1152.75 | 726.96 | 0.00 |
| (b) Provisions | 20 | 20.72 | 20.02 | 18.58 |
| Total Non-Current Liabilities | | 1173.47 | 746.98 | 18.58 |
| (3) Current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 21 | 0.00 | 0.00 | 833.76 |
| (ii) Trade payables | 22 | 2320.05 | 3639.93 | 5552.80 |
| (iii) Other financial liabilities | 23 | 449.91 | 568.70 | 44.31 |
| (b) Other current liabilities | 24 | 353.21 | 132.20 | 135.01 |
| (c) Provisions | 25 | 1.63 | 5.09 | 3.21 |
| Total Current Liabilities | | 3124.80 | 4345.92 | 6569.09 |
| TOTAL EQUITY AND LIABILITIES | | 7512.26 | 8136.64 | 9547.26 |
| Notes forming an integral part of the financial statements | | | | |
| | 1 to 54 | | | |
| General corporate information and Significant Accounting Policies | | | | |
| | A-B | | | |

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

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishak Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner

M. No. : 421425

Place : Indore

Dated : 30th May, 2018

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer

**SARTHAK INDUSTRIES LIMITED**

CIN: L99999MH1982PLC136834

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount ₹ in lacs)

| Particulars | Note No. | For the year ended 31st March, 18 | For the year ended 31st March, 17 |
|--|------------|-----------------------------------|-----------------------------------|
| I. INCOME | | | |
| a. Revenue from operations | 26 | 12109.59 | 16506.46 |
| b. Other income | 27 | 376.37 | 492.99 |
| Total Income | | 12485.96 | 16999.45 |
| II. EXPENSES | | | |
| a. Cost of materials consumed | 28 | 1558.26 | 2648.67 |
| b. Purchases of stock-in-trade | 29 | 9923.16 | 11517.87 |
| c. Changes in inventories of finished goods, work in progress and stock-in-trade | 30 | 25.85 | 1202.04 |
| d. Excise Duty | | 66.27 | 393.68 |
| e. Employee benefits expense | 31 | 212.51 | 286.66 |
| f. Finance costs | 32 | 173.79 | 175.88 |
| g. Depreciation and amortisation expense | 1 & 3 | 65.10 | 54.36 |
| h. Other expenses | 33 | 245.50 | 548.91 |
| Total Expenses | | 12270.44 | 16828.07 |
| III. Profit before exceptional items and tax (I-II) | | 215.52 | 171.38 |
| IV. Exceptional Items | | 0.00 | 0.00 |
| V. Profit before tax (III - IV) | | 215.52 | 171.38 |
| VI. Tax expense: | 53 | | |
| a. Current tax | | 44.75 | 27.13 |
| b. Deferred tax | | 0.47 | 2.90 |
| c. Income tax for earlier year | | (5.29) | 0.00 |
| | | 39.93 | 30.03 |
| VII. Profit for the year (V - VI) | | 175.59 | 141.35 |
| VIII. Other comprehensive income | | | |
| A. (i) Items that will not to be reclassified to Profit or Loss | | | |
| -Remeasurement of defined benefit plan | | 1.53 | 0.72 |
| -Tax impact thereon | | (0.47) | (0.22) |
| -Gain/(Loss) on change in fair value of equity instruments | | (9.76) | (57.70) |
| -Tax impact thereon | | 3.36 | 0.00 |
| B. (i) Items that will be reclassified to Profit or Loss | | 0.00 | 0.00 |
| Total other comprehensive income | | (5.34) | (57.20) |
| IX. Total Comprehensive Income (VII+VIII) | | 170.25 | 84.15 |
| X. Earning per equity share: (Face value of Rs 10/- each) | 39 | | |
| (1) Basic (in Rs.) | | 2.52 | 2.03 |
| (2) Diluted (in Rs.) | | 2.52 | 2.03 |
| Notes forming part of the financial statements | 1 to 54 | | |
| General corporate information and significant accounting policies | A-B | | |

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

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishesh Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner
M. No. : 421425
Place : Indore
Dated : 30th May, 2018

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer

**SARTHAK INDUSTRIES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(Amount ₹ in lacs)

| Particulars | 2017-18 | 2016-17 |
|--|----------------|-----------------|
| A Cash flow from Operating activities | | |
| a. Net Profit/ (Loss) before Tax & Extraordinary item | 215.52 | 171.38 |
| Adjustment for : | | |
| Depreciation | 65.10 | 54.36 |
| Finance costs | 173.79 | 175.87 |
| Interest Received | (159.82) | (207.14) |
| Loss / (Profit) on sale of Fixed assets | (5.32) | (194.53) |
| Provision for diminution in the value of investments | 0.00 | (1.51) |
| Loss on sale of Investments | 4.47 | 1.38 |
| Provision for doubtful debts written back | (7.53) | (25.31) |
| Ind AS Impact of Remeasurement Directly considered in OCI | 1.53 | 0.72 |
| Unrealised (gain)/loss on foreign currency exchange rate | 1.56 | (16.94) |
| b. Operating profit/(loss) before working capital changes | 289.30 | (41.70) |
| Adjustment for : | | |
| Trade and Other receivables | 767.30 | 491.43 |
| Inventories | 88.02 | 1170.85 |
| Trade and other payables | (1208.28) | (1364.65) |
| c. Cash generated from Operations | (63.67) | 255.93 |
| Direct Taxes (paid)/Refund | (22.82) | (40.96) |
| Net Cash Flow from Operating activities | (86.49) | 214.97 |
| B. Cash flow from investing activities | | |
| Purchase of Tangible Fixed Assets | (138.37) | (339.64) |
| Sale of Tangible Fixed Assets | 32.50 | 221.60 |
| Purchase of Investment | 0.00 | (252.71) |
| Sale of Investments | 47.40 | 0.49 |
| Interest Received | 156.70 | 209.17 |
| Share application money | 0.00 | 68.52 |
| Change in Bank balances not considered as cash and cash Equivalent | 15.30 | 31.99 |
| Net Cash Flow from Investing activities | 113.53 | (60.59) |
| C. Cash flow from Financing activities | | |
| Proceeds from Borrowings | 442.69 | 742.18 |
| Repayment of Borrowings | (15.13) | (858.22) |
| Finance costs | (189.52) | (172.69) |
| Net Cash flow from Financing activities | 238.03 | (288.74) |
| D. Net Increase / (Decrease)in Cash and Cash Equivalent | 265.07 | (134.36) |
| Cash and Cash Equivalent at the beginning of the year | 91.28 | 225.63 |
| Cash and Cash Equivalent at the end of the year | 356.35 | 91.28 |
| Cash and Cash Equivalent comprises of | | |
| I. Balances with Banks | | |
| in Current Accounts | 225.02 | 84.83 |
| in Deposit Accounts (with maturity up to 3 months) | 128.90 | 0.00 |
| ii. Cash on hand | 2.43 | 6.45 |
| | 356.35 | 91.28 |

**As per our report of even date
For SMAK & Co.**

Chartered Accountants

CA Shridhar Mandhanya

Partner

M. No. : 421425

Place : Indore

Dated : 30th May, 2018

For and on behalf of Board of Directors**Yogender Mohan Sharma**

Whole Time Director

DIN: 03644480

CS Amit Jain

Company Secretary

Nimishesh Ved

Director

DIN: 07362817

CA Kailash Agarwal

Chief Financial Officer

SARTHAK INDUSTRIES LIMITED
CIN: L99999MH1982PLC136834
Statement of Changes in Equity (SOCIE)

(Amount ₹ in lacs)

| | March 31, 2018 | | March 31, 2017 | | April 1, 2016 | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| a. Equity share capital | | | | | | |
| Balance at the beginning of the reporting period | 6968850 | 696.89 | 6968850 | 696.89 | 6968850 | 696.89 |
| Changes in equity share capital during the year | | | | | | |
| - Shares issued during the year | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Balance at the end of the reporting period | 6968850 | 696.89 | 6968850 | 696.89 | 6968850 | 696.89 |

b. Other Equity

| Particulars | Reserve & Surplus | | | | Items of Other Comprehensive Income | Total |
|---|-------------------|-----------------|--------------------|------------------|-------------------------------------|----------------|
| | General Reserve | Capital Reserve | Securities Premium | Retained Earning | | |
| Balances as at 1st April, 2016 | 16.49 | 45.36 | 2676.24 | (612.46) | 137.07 | 2262.70 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 141.35 | 0.00 | 141.35 |
| Other comprehensive income (net of tax) | 0.00 | 0.00 | 0.00 | 0.50 | (57.70) | (57.20) |
| Balances as at 31st March 2017 | 16.49 | 45.36 | 2676.24 | (470.62) | 79.38 | 2346.85 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 175.59 | 0.00 | 175.59 |
| Other comprehensive income (net of tax) | 0.00 | 0.00 | 0.00 | 1.06 | (6.40) | (5.34) |
| Balances as at 31st March 2018 | 16.49 | 45.36 | 2676.24 | (293.97) | 72.98 | 2517.10 |

Notes forming an integral part of the financial statements 1 to 54

As per our report of even date
For SMAK & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishk Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner
M. No. : 421425
Place : Indore
Dated : 30th May, 2018

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

A. GENERAL CORPORATE INFORMATION

Sarthak Industries Limited (formerly known as Avanti LPG (India) Ltd. and initially known as Malav Metals Pvt. Ltd.) is a public limited company incorporated on 23.12.1982 hereinafter referred to as the Company. The Company is engaged in manufacturing of LPG Cylinders at works situated at Industrial Area, Pithampur, Distt. Dhar (M. P.). The LPG cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited 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. Equity shares of the Company is listed with the Bombay Stock Exchange (BSE).

B. Significant accounting policies

I. Statement of compliance

The separate financial statements have been prepared in accordance with Indian Accounting standards ("Ind AS") notified, under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules 2016 and the relevant provisions of the Act.

Up to the year ended 31st March 2017, the company prepared its financial statements in accordance with the requirement of previous GAAP, which included Standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the first financial statements of the company under Ind AS. The date of transition to Ind AS is 1st April 2016.

The Company applied Ind AS 101 – First-time Adoption of the Indian Accounting Standards. A statement provides an explanation of how the adoption of Ind AS has impacted on the equity as on 1st April, 2016, the equity, statement of financial position and result of operation of the company for the year ended 31st March, 2017.

Refer Note no.50 for details of first-time adoption exemptions availed by the company.

ii. Basis of Preparation

The financial statements have been prepared on accrual basis and under the historical cost convention except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Functional and presentation currency

These separate financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest Rupees in Lacs unless otherwise indicated.

iii. Use of Estimates, Judgments and Assumptions

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are : (a) Allowance for bad debts (b) Recognition and measurement of provisions and contingencies (c) Impairment test of non financial assets (d) Recognition of deferred tax assets (e) Measurement of defined benefit obligation.

iv. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company and the revenue can be measured reliably and there is no continuing effective control/managerial involvement in respect of the revenue activity as described below.

a. Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers.

Revenue from sales is measured net of returns, trade discounts and volume rebates, VAT, GST but inclusive of excise duty wherever applicable. Further, the revenue amount is adjusted for the time value of money if that contract contains a significant financing component.

The timing of the transfer of control varies depending on the individual terms of the sales agreement.



b. Sale of Services

Revenue from sale of services are recognized when agreed contractual task has been completed or services are rendered.

c. Interest and Dividend

Interest income is recognized on accrual basis using the effective interest method. Dividend income is recognised in profit or loss on the date on which the company's right to receive payment is established.

v. Inventories

Inventories are valued at lower of cost and net realizable value on FIFO basis, except by-product/scrap is valued at net realizable value. Cost of inventory is generally comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

vi. Property, Plant and Equipment

a. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any, except for freehold land which is not depreciated.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, acquisition or construction cost including borrowing costs, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

The company has opted to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

b. Subsequent expenditure

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

c. Depreciation

Depreciation on property, plant and equipment is provided on Written down value method (WDV) as per the useful life of the assets in the manner as specified in Schedule II to the Companies Act, 2013. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

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

The estimated useful lives, residual value and depreciation method are reviewed at the end of each balance sheet date, any changes there in are considered as changes in estimates and accordingly accounted for prospectively.

vii. Intangible Assets

a. Recognition and measurement

Computer softwares have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The company has opted to elect to continue with the carrying value for all of its Intangible assets as recognized in the financial statements as at the date of transition to Ind ASs, measured as per previous GAAP and use that as its deemed cost as at the date of transition.

b. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates or where the development stage is achieved. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit or loss.

c. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit or loss. Computer software are amortised over their estimated useful life of 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if required.



viii. Employee benefits

a. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined benefit plans

The liability for gratuity a defined benefit plan is determined annually by a qualified actuary using the projected unit credit method.

The company pays gratuity to the employees who have completed 5 Yrs of service with company at the time when the employee leaves the company as per the payment of gratuity act 1972.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Other employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of obligation as at the Balance sheet date determined based on an actuarial valuation.

d. Defined Contribution Plan

The company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that payment covers. Defined contribution plan comprise of contribution to the employees' provident fund with government, Employees' State Insurance and Pension Scheme.

ix. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only if:

- bi) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- bii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.



x. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Difference arising on settlement of monetary items are generally recognised in statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Exchange difference arising out of these transactions are generally recognised in statement of profit and loss.

xi. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Qualifying asset are the assets that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xii. Cash and Cash Equivalent

Cash and cash equivalent includes the cash and Cheques in hand, bank balances, demand deposits with bank and other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdraft, if any, are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft, if any, are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

xiii. Cash Flow Statement

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

xiv. Earning Per Share

i. Basic earnings per shares is arrived at based on net profit / (loss) after tax available to equity shareholders divided by Weighted average number of equity shares, adjusted for bonus elements in equity shares issued during the year (if any) and excluding treasury shares.

ii. Diluted earnings per shares is calculated by dividing Profit attributable to equity holders after tax divided by Weighted average number of shares considered for basic earning per shares including potential dilutive equity shares.

xv. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and there is reliable estimate of the amount of obligation.

A disclosure for contingent liabilities is made where there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arise from past events where it is not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

xvi. Segment Accounting

(a).The company has disclosed business segment as the primary segment. Based on the criteria mentioned in Ind AS 108 "Operating Segment" the company has identified its reportable segments. The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as performance indicator for all of the operating segments. The various segment identified by the company comprised as under:

Name of Segment

LPG Cylinders - Manufacturing and repairing of LPG cylinders

Merchant Trading - Trading of various commodities, materials etc.

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

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



xvii. Leases

As a Lessee

A lease is classified at the inception date as finance lease or an operating lease. Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

Other leases are treated as operating leases, with payments are recognized as expense in the statement of profit and loss on a straight line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Rental Income from operating leases is recognized on straight - line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the period in which such benefits accrue.

xviii. Non –Current Assets Held For Sale

Non Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less cost to sell. Non current asset are not depreciated or amortised while they are classified as held for sale.

xix. Impairment of Non Financial Assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

xx. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

I. Financial assets

Classification

The Company shall classify financial assets and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.



Measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Financial Asset at fair value through profit and loss (FVTPL)

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the group company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity Instruments

Equity instruments other than investment in subsidiary, associates & joint ventures are measured at fair value, with value changes recognized in "Other comprehensive income".

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- iii. When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.
- iv. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- i. Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- ii. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

II. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.



Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments, if any, are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives, if any, are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when and only when the company has a legally enforceable right to set off the amount and it intends either to settle them on a net basis or to realize and settle the liability simultaneously.

Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)



If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

xxi. Mandatory exceptions applied - Standards issued but not yet effective

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018. The company will adopt the new standard on the required effective date. During the current year, the company performed a preliminary assessment of Ind AS 115.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

Ind AS 21, Foreign currency transactions

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

These amendments are effective for annual periods beginning on or after 1 April 2018.

SARTHAK INDUSTRIES LIMITED

Notes forming an integral part to Financial Statements for the year ended on 31st March 2018

Note 1 : PROPERTY, PLANT AND EQUIPMENT

| Cost or deemed cost | (Amount ₹ in lacs) | | | | | | | | | |
|--|--------------------|-------------------|---------------|-------------------------|-------------------|----------------------|-------------------|--------------|----------------|--|
| | Land-Freehold | Land - Lease hold | Buildings | Building given on lease | Plant & Equipment | Furniture & Fixtures | Office Equipments | Vehicles | Total | |
| As at 01 April, 2016 | 1425.55 | 577.79 | 56.68 | 339.45 | 73.85 | 0.78 | 0.99 | 13.58 | 2488.67 | |
| Additions | 0.00 | 1.86 | 418.60 | 22.87 | 19.50 | 0.00 | 0.49 | 8.93 | 472.25 | |
| Disposals/Adjustments | 26.81 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.26 | 27.07 | |
| As at 31 March, 2017 | 1398.74 | 579.69 | 475.28 | 362.32 | 93.35 | 0.78 | 1.48 | 22.25 | 2933.85 | |
| Additions | 0.00 | 0.89 | 62.00 | 0.00 | 48.49 | 0.00 | 2.48 | 0.00 | 113.85 | |
| Disposals/Adjustments * | 1397.00 | 0.00 | 28.06 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1425.06 | |
| As at 31 March, 2018 | 1.74 | 580.55 | 509.22 | 362.32 | 141.84 | 0.78 | 3.95 | 22.25 | 1622.64 | |
| Accumulated Depreciation and Impairment | | | | | | | | | | |
| Depreciation as at 1 April 2016 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Depreciation/Impairment for the year 2016-17 | 0.00 | 0.10 | 17.50 | 17.28 | 12.45 | 0.21 | 0.40 | 6.41 | 54.36 | |
| Disposals/Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| As at 31 March, 2017 | 0.00 | 0.10 | 17.50 | 17.28 | 12.45 | 0.21 | 0.40 | 6.41 | 54.36 | |
| Depreciation/Impairment for the year 2017-18 | 0.00 | 0.10 | 23.60 | 16.89 | 19.00 | 0.14 | 0.60 | 4.76 | 65.09 | |
| Disposals/Adjustments | 0.00 | 0.00 | 0.88 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.88 | |
| As at 31 March, 2018 | 0.00 | 0.20 | 40.22 | 34.17 | 31.45 | 0.35 | 1.00 | 11.18 | 118.57 | |
| Net Carrying Value | | | | | | | | | | |
| As at 1 April 2016 | 1425.55 | 577.79 | 56.68 | 339.45 | 73.85 | 0.78 | 0.99 | 13.58 | 2488.67 | |
| As at 31 March 2017 | 1398.74 | 579.56 | 457.78 | 345.03 | 80.90 | 0.57 | 1.07 | 15.83 | 2879.49 | |
| As at 31 March, 2018 | 1.74 | 580.35 | 469.00 | 328.15 | 110.39 | 0.43 | 2.95 | 11.07 | 1504.07 | |

Note : (i). Lease hold land allotted by Indore Development Authority (IDA) to the company shown in property, plant and equipment, possession of which have been handed over but lease deed of the same is executed on 04/05/2018.

(ii). Buildings includes Flat purchased by the company for Rs. 407.67 lacs during the F.Y. 2016-17 for which possession taken by the Company but registry of the same is yet to be executed.

*(iii). During the year freehold land of Rs. 1397 lacs shown under note no. 16 as non current assets held for sale.

Note 2 : CAPITAL WORK-IN-PROGRESS

| Capital Work in Progress | (Amount ₹ in lacs) | |
|--------------------------|--------------------|-------------------|
| | Building | Plant & Machinery |
| Total | | |
| As at 01 April, 2016 | 149.38 | 0.00 |
| As at 31 March, 2017 | 149.38 | 11.34 |
| As at 31 March, 2018 | 154.69 | 0.00 |

Note : Capital work-in-progress represents building under construction of Rs. 5.31 lacs (Previous year Nil; as at 1st April 2016, Nil), plant and machinery Nil (Previous Year Rs. 11.34 lacs; as at 1st April 2016, Nil) and preoperative expenses incurred for mining project of Rs. 149.38 lacs (Previous Year Rs. 149.38 lacs; as at 1st April 2016, 149.38 lacs), yet to be capitalised.



**SARTHAK INDUSTRIES LIMITED**

Notes forming an integral part to Financial Statements for the year ended on 31st March 2018

Note 3 : OTHER INTANGIBLE ASSETS**(Amount ₹ in lacs)**

| Computer Software | |
|--|-------------|
| Cost or deemed cost | |
| As at 01 April, 2016 | 0.00 |
| Additions | 0.00 |
| Disposals | 0.00 |
| As at 31 March, 2017 | 0.00 |
| Additions | 0.50 |
| Disposals | 0.00 |
| As at 31 March, 2018 | 0.50 |
| Accumulated Amortisation and Impairment | |
| Amortisation and Impairment as | |
| at 1 April, 2016 | 0.00 |
| Amortisation for the year 2016-17 | 0.00 |
| Disposals | 0.00 |
| As at 31 March, 2017 | 0.00 |
| Amortisation for the year 2017-18 | 0.01 |
| Disposals | 0.00 |
| As at 31 March, 2018 | 0.01 |
| Net Carrying Value | |
| As at 1 April 2016 | 0.00 |
| As at 31 March 2017 | 0.00 |
| As at 31 March, 2018 | 0.49 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
NOTE 4. INVESTMENTS - NON CURRENT
(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 Ind AS | As at 31st March, 2017 Ind AS | As at 1st April, 2016 Ind AS |
|--|-------------------------------------|-------------------------------------|------------------------------------|
| A. Investment in Equity Instruments : | | | |
| (Fair value through OCI) | | | |
| I. Quoted | | | |
| 1953000 (Previous Year 1953000; as at 1st April, 2016, 1953000) Equity Shares of Ruchi Infrastructure Ltd. of Rs.1/- each fully paid up | 71.28 | 69.53 | 126.95 |
| 5000 (Previous Year 5000; as at 1st April, 2016, 5000) Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up | 0.79 | 1.36 | 1.64 |
| Nil (Previous Year Nil; as at 1st April, 2016, 1600) Equity Shares of National Steel & Agro Industries Ltd. of Rs.10/- each fully paid up | 0.00 | 0.00 | 0.20 |
| 100 (Previous Year 100; as at 1st April, 2016, 100) Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10/- each fully paid up | 0.00 | 0.00 | 0.00 |
| 108800 (Previous Year 108800; as at 1st April, 2016, 108800) Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up | 8.45 | 23.77 | 23.77 |
| Nil (Previous Year Nil; as at 1st April, 2016, 500) Equity shares of Kernex Micro Ltd. of Rs.10/- each fully paid up | 0.00 | 0.00 | 0.16 |
| | 80.52 | 94.66 | 152.72 |
| II. Unquoted | | | |
| a. Nil (Previous Year 1800; as at 1st April, 2016 1800) Equity shares of Vaishnavi Insurance Consultants Pvt. Ltd. of Rs. 5/- each fully paid up | 0.00 | 0.09 | 0.09 |
| b. 1949284 (Previous Year Nil; as at 1st April, 2016, Nil) Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up (refer note 37) | 205.30 | 0.00 | 0.00 |
| <u>c. Investment in associate enterprise</u> | | | |
| Nil (Previous Year 2449284; as at 1st April 2016, Nil) Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up | 0.00 | 252.71 | 0.00 |
| | 205.30 | 252.80 | 0.09 |
| B. Investment in Partnership Firm | | | |
| Balance in Capital account of "Giriraj Buildcon" | 0.00 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 |
| Total (A+B) | 285.82 | 347.46 | 152.81 |
| Aggregate Amount of Quoted investments and market value thereof | 80.52 | 94.66 | 152.72 |
| Aggregate Amount of Unquoted investments | 205.30 | 252.80 | 0.09 |
| Aggregate Amount of investment- In Partnership Firm | 0.00 | 0.00 | 0.00 |

NOTE 5. LOANS - NON CURRENT
(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-------------------|------------------------------|------------------------------|-----------------------------|
| Security deposits | 201.17 | 303.36 | 301.55 |
| Total | 201.17 | 303.36 | 301.55 |

NOTE 6. OTHER FINANCIAL ASSETS - NON CURRENT
(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| Interest accrued on deposits | 0.57 | 0.00 | 1.12 |
| Balance with Bank in Deposit account having maturity more than 12 months | | | |
| Earmarked against credit facility | 12.97 | 83.37 | 1.38 |
| Others | 1.63 | 0.28 | 25.20 |
| | 14.60 | 83.65 | 26.58 |
| Total | 15.17 | 83.65 | 27.70 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
NOTE 7. DEFERRED TAX ASSETS (NET)

(Amount ₹ In lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| Deferred Tax Assets | | | |
| Other Timing Difference | 10.26 | 7.76 | 6.73 |
| Provision for doubtful debts | 9.28 | 11.60 | 19.42 |
| | 19.54 | 19.36 | 26.15 |
| Deferred Tax Liabilities | | | |
| Due to Depreciation difference on Fixed Assets | 14.39 | 16.63 | 20.30 |
| Deferred Tax Assets/(Liabilities) (Net) | Total 5.15 | 2.73 | 5.85 |

NOTE 8. OTHER NON-CURRENT ASSETS

(Amount ₹ In lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| Capital advances | 75.76 | 45.70 | 189.65 |
| Advance income tax and tax deducted at source (net of provision for tax) | 34.18 | 49.83 | 36.00 |
| Total | 109.94 | 95.53 | 225.65 |

NOTE 9. INVENTORIES

(Amount ₹ In lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-------------------------------|------------------------------|------------------------------|-----------------------------|
| Raw Materials | 109.56 | 180.47 | 149.33 |
| Work in Progress | 42.12 | 97.91 | 15.06 |
| Finished Goods | 132.08 | 68.94 | 34.16 |
| Stock In Trade (Traded Goods) | 8.78 | 41.98 | 1361.65 |
| Stores and Spares | 31.40 | 22.64 | 22.60 |
| Total | 323.94 | 411.94 | 1582.80 |

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

Cost of inventories recognised as an expense include INR Nil (Previous year Nil, as at 1st April, 2016 Nil) in respect of written down of inventories to realisable value.

Carrying amount of inventories hypothecated as security against liability.

NOTE 10. TRADE RECEIVABLES

(Amount ₹ In lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Unsecured, considered good | 1445.04 | 900.39 | 1630.64 |
| Unsecured, considered doubtful | 30.02 | 37.54 | 62.85 |
| | 1475.06 | 937.93 | 1693.49 |
| Less - Allowance for bad and doubtful debts (Refer note 51(b)) | 30.02 | 37.54 | 62.85 |
| Total | 1445.04 | 900.39 | 1630.64 |

NOTE 11. CASH AND CASH EQUIVALENTS

(Amount ₹ In lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| i. Balances with Banks | | | |
| in Current Accounts | 225.02 | 84.83 | 157.96 |
| in Deposit Accounts (with maturity up to 3 months) | 128.90 | 0.00 | 60.00 |
| ii. Cash on hand | 2.43 | 6.45 | 7.67 |
| Total | 356.35 | 91.28 | 225.63 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
NOTE 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| In Deposit Accounts | | | |
| i. having maturity up to 3 months Earmarked against credit facility | 0.00 | 0.00 | 6.65 |
| ii. having maturity 3 to 12 months Earmarked against credit facility | 66.19 | 90.46 | 153.46 |
| Others | 81.12 | 3.10 | 22.52 |
| | 147.31 | 93.56 | 175.98 |
| Total | 147.31 | 93.56 | 182.63 |

NOTE 13. LOANS - CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-----------------------------|------------------------------|------------------------------|-----------------------------|
| (Unsecured considered good) | | | |
| Inter corporate deposits | 525.15 | 2226.39 | 2005.66 |
| Security deposits | 113.07 | 1.43 | 1.43 |
| Total | 638.22 | 2227.82 | 2007.09 |

NOTE 14. OTHER FINANCIAL ASSETS - CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| (Unsecured, considered good) | | | |
| Other Advances recoverable | 488.41 | 510.52 | 393.00 |
| Share Application Money | 0.00 | 0.00 | 68.52 |
| Interest Accrued - on fixed deposits with bank | 4.24 | 2.68 | 3.60 |
| Total | 492.65 | 513.20 | 465.12 |

NOTE 15. OTHER CURRENT ASSETS

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--------------------------------|------------------------------|------------------------------|-----------------------------|
| Advance to suppliers | 418.55 | 3.01 | 9.08 |
| Balance with govt. authorities | 2.42 | 19.03 | 89.82 |
| Prepaid Expenses | 14.28 | 3.47 | 2.84 |
| Total | 435.25 | 25.51 | 101.74 |

NOTE 16. NON CURRENT ASSETS HELD FOR SALE

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|-----------------|------------------------------|------------------------------|-----------------------------|
| Land - freehold | 1397.00 | 0.00 | 0.00 |
| Total | 1397.00 | 0.00 | 0.00 |

NOTE 17. EQUITY SHARE CAPITAL

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| Authorised | | | |
| 1,10,00,000 (as at Previous Year 1,10,00,000; as at 1st April 2016, 1,10,00,000) Equity Shares of Rs. 10 each | 1100.00 | 1100.00 | 1100.00 |
| Total | 1100.00 | 1100.00 | 1100.00 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
Issued, Subscribed and fully Paid up

69,68,850 (as at Previous year 69,68,850; as at 1st April, 2016, 69,68,850) Equity Shares 696.89 696.89 696.89
of Rs 10 each fully paid up

Total 696.89 696.89 696.89

17.1 The reconciliation of the number of shares and amount outstanding is set out below: (Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|------------------------|---------------|------------------------|---------------|-----------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Equity Shares at beginning of the year | 6968850 | 696.89 | 6968850 | 696.89 | 6968850 | 696.89 |
| Add: Shares issued during the year | - | - | - | - | - | - |
| Equity Shares at end of the year | 6968850 | 696.89 | 6968850 | 696.89 | 6968850 | 696.89 |

17.2 Rights, preferences and restrictions attached to Equity shares : The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting, 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.

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

| Name of the Shareholders | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|--|------------------------|--------|------------------------|--------|-----------------------|--------|
| | No of shares held | % Held | No of shares held | % Held | No of shares held | % Held |
| Anand Mangal Investment & Finance Pvt. Ltd | 1385200 | 19.88 | 1385200 | 19.88 | 1385200 | 19.88 |
| Promise Securities Pvt. Ltd. | 400000 | 5.74 | 400000 | 5.74 | 400000 | 5.74 |
| Girish Kumar Pushkarlal Agarwal | 511200 | 7.34 | 511200 | 7.34 | 511200 | 7.34 |
| Antarica Resource Ltd. | 466540 | 6.69 | 466540 | 6.69 | 466540 | 6.69 |
| Manish Shakra | 910000 | 13.06 | 910000 | 13.06 | 910000 | 13.06 |
| Mahakosh Papers Pvt. Ltd. | 375000 | 5.38 | 375000 | 5.38 | 375000 | 5.38 |

17.4 During the period of 5 years immediately preceding 31st March, 2018 the company has not allotted any shares as fully paid up for payment without being received in cash or by way of bonus shares or bought back any shares.

**NOTE 18. OTHER EQUITY
OTHER RESERVES**

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| General Reserve | | | |
| Balance as at beginning of the year | 16.49 | 16.49 | 16.49 |
| Add: Transferred from Profit & Loss Account | 0.00 | 0.00 | 0.00 |
| Balance as at end of the year | 16.49 | 16.49 | 16.49 |
| Capital Reserve | | | |
| Balance as at beginning of the year | 45.36 | 45.36 | 45.36 |
| Add: Addition during the year | 0.00 | 0.00 | 0.00 |
| Balance as at end of the year | 45.36 | 45.36 | 45.36 |
| Securities Premium Reserve | | | |
| Balance as at beginning of the year | 2676.24 | 2676.24 | 2676.24 |
| Add : Received during the year | 0.00 | 0.00 | 0.00 |
| Balance as at end of the year | 2676.24 | 2676.24 | 2676.24 |
| Retained Earnings | | | |
| Balance as at beginning of the year | (470.61) | (612.46) | (612.46) |
| Add: Profit for the year | 175.59 | 141.35 | 0.00 |
| Add/(Less): Remeasurement of defined benefit plan through OCI (net of tax) | 1.06 | 0.50 | 0.00 |
| Balance as at end of the year | (293.96) | (470.61) | (612.46) |
| Reserve for Equity Instrument through Other Comprehensive Income | | | |
| Balance as at beginning of the year | 79.37 | 137.07 | 137.07 |
| Add: Gain/(Loss) for the year (net of tax) | (6.40) | (57.70) | 0.00 |
| Balance as at end of the year | 72.97 | 79.37 | 137.07 |
| Total | 2517.10 | 2346.85 | 2262.70 |

Nature and purpose of Reserves
General Reserve

The general reserve is created from time to time on transfer of profit from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

Capital reserve

Capital reserve was created out of forfeiture of partly paid equity shares of the company on account of unpaid calls. Reserve can be utilised as per the provisions of the Companies Act, 2013.

**SARTHAK INDUSTRIES LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 19. BORROWINGS - NON CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Secured | | | |
| Term Loans | | | |
| From Banks (Refer note (a) below) | 203.63 | 218.76 | 0.00 |
| Less : Current Maturity of Long term borrowings (Refer note 23) | 16.98 | 15.21 | 0.00 |
| | 186.65 | 203.55 | 0.00 |
| Unsecured | | | |
| From others (Refer note (b) below) | | | |
| a. Indore Development Authority (IDA) | 0.00 | 0.00 | 24.46 |
| Less : Current Maturity of Long term borrowings (Refer note 23) | 0.00 | 0.00 | 24.46 |
| | 0.00 | 0.00 | 0.00 |
| b. Inter Corporate Deposit (Refer note (c) below) | 966.10 | 523.41 | 0.00 |
| Total | 1152.75 | 726.96 | 0.00 |

Note :

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

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

Sanctioned amount Rs 230.59 lacs outstanding 203.63 lacs (Previous Year Rs. 218.76 lacs; as at 1st April 2016, Nil) is repayable in 120 monthly installments (EMI) of Rs. 3.18 lacs (including Interest) commencing from June 2016 and last installment is due in the month of May 2026. Rate of interest as at the year end 10.75% p.a. (Previous Year 10.75%; as at 1st April 2016, NIL).

b. Unsecured Loan taken from Indore Development Authority (IDA) was Rs. 312.56 lacs and outstanding amount is Rs. NIL (Previous Year Nil; as at 1st April, 2016 Rs. 24.46 lacs). Loan taken from IDA was repayable in 40 quarterly installments (EMI) of Rs. 12.71 lacs (including interest) commencing from November 2006 and last installment was due on August 2016. Rate of interest NIL; (Previous Year Nil as at 1st April 2016, 10.50% p.a.).

c. Unsecured inter corporate deposit of Rs. 966.10 lacs (Previous Year Rs. 523.41 lacs; as at 1st April 2016, Nil) is repayable after 3 years from the date of receipt of loan. Rate of interest @ 8% p.a. (Previous Year 8% p.a.; as at 1st April 2016 NIL).

NOTE 20. PROVISIONS - NON CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Provision for Employee benefit (Refer note 38B for disclosure as per Ind AS -19) | 20.72 | 20.02 | 18.58 |
| Total | 20.72 | 20.02 | 18.58 |

NOTE 21. BORROWINGS - CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Secured | | | |
| Working Capital Loan from Bank (refer note below) | 0.00 | 0.00 | 833.76 |
| Total | 0.00 | 0.00 | 833.76 |

Note :

Short term working capital loan from HDFC Bank Ltd. Rs. NIL (Previous year Nil; as at 1st April 2016, Rs. 833.76 lacs) was secured against pledge of Stock in trade with HDFC Bank Ltd. as a continuing security and personal guarantee by others.

NOTE 22. TRADE PAYABLES

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Due to Micro and Small Enterprises (refer note below) | 0.00 | 1.95 | 3.15 |
| Due to others | 2320.05 | 3637.98 | 5549.65 |
| Total | 2320.05 | 3639.93 | 5552.80 |

Note :

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

There are no overdue amounts payable to Micro, Small and Medium Enterprises as at the year end for which disclosure requirement under MSMED Act, 2006 are applicable.


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
NOTE 23. OTHER FINANCIAL LIABILITIES - CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------------|-----------------------------|
| Current Maturities of Long Term Borrowings (Refer note 19) | 16.98 | 15.21 | 24.46 |
| Interest accrued on Borrowings | 0.00 | 15.72 | 12.54 |
| Other Payables | | | |
| Advances from Customers | 403.97 | 508.81 | 1.31 |
| Security deposits | 6.00 | 6.00 | 6.00 |
| Creditors for Capital Expenses | 22.96 | 22.96 | 0.00 |
| Total | 449.91 | 568.70 | 44.31 |

NOTE 24. OTHER CURRENT LIABILITIES

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Statutory Dues | 14.23 | 12.18 | 23.76 |
| Other Liabilities * | 338.98 | 120.02 | 111.25 |
| * (includes liability towards advances received and expenses payable) | | | |
| Total | 353.21 | 132.20 | 135.01 |

NOTE 25. PROVISIONS - CURRENT

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|------------------------------|------------------------------|-----------------------------|
| Provision for Employee benefit (Refer note 38B for disclosure as per Ind AS -19) | 1.63 | 5.09 | 3.21 |
| Total | 1.63 | 5.09 | 3.21 |

NOTE 26. REVENUE FROM OPERATIONS

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|--------------------------|-----------------------------------|-----------------------------------|
| Sales of Products | 12087.37 | 16384.38 |
| Sale of Services | 22.22 | 12.98 |
| Other Operating Revenues | 0.00 | 109.10 |
| Total | 12109.59 | 16506.46 |

NOTE 27. OTHER INCOME

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|--|-----------------------------------|-----------------------------------|
| Interest Received (at amortised cost) | 159.82 | 207.14 |
| Net Gain on Foreign Currency Transactions and Translations | 0.00 | 16.57 |
| Profit from commodity trading | 162.98 | 0.00 |
| Excess Provision for doubtful debts reversed | 7.53 | 25.31 |
| Other Non operating income | 0.00 | 0.00 |
| Rent Received | 40.30 | 38.38 |
| Profit on sale of Property, plant and equipment | 5.32 | 194.54 |
| Miscellaneous Income | 0.42 | 11.05 |
| Total | 376.37 | 492.99 |

NOTE 28. COST OF MATERIALS CONSUMED

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|-------------------------------|-----------------------------------|-----------------------------------|
| Raw Materials Consumed | 1558.26 | 2648.67 |
| Total | 1558.26 | 2648.67 |

| Raw Materials Consumed | FY 2017-18 | | FY 2016-17 | |
|------------------------|------------|-----|------------|-----|
| | Value | % | Value | % |
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 1558.26 | 100 | 2648.67 | 100 |

**SARTHAK INDUSTRIES LIMITED**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 29. PURCHASES OF STOCK IN TRADE

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|---------------------------|--------------------------------|--------------------------------|
| Purchases of traded goods | 9923.16 | 11517.87 |
| Total | 9923.16 | 11517.87 |

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|-------------------------------|--------------------------------|--------------------------------|
| Closing stocks | | |
| Finished Goods | 132.08 | 68.94 |
| Work in Progress | 42.12 | 97.91 |
| Stock in Trade | 8.78 | 41.98 |
| | 182.98 | 208.83 |
| Less : Opening Stocks | | |
| Finished Goods | 68.94 | 34.16 |
| Work in Progress | 97.91 | 15.06 |
| Stock in Trade | 41.98 | 1361.65 |
| | 208.83 | 1410.87 |
| Changes in Inventories | Total | Total |
| | 25.85 | 1202.04 |

NOTE 31. EMPLOYEE BENEFIT EXPENSES

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|--|--------------------------------|--------------------------------|
| Salaries and Wages | 205.29 | 278.80 |
| Contribution to Provident and other fund | 5.88 | 6.05 |
| Staff Welfare Expenses | 1.34 | 1.81 |
| Total | 212.51 | 286.66 |

NOTE 32. FINANCE COSTS

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|---------------------------------------|--------------------------------|--------------------------------|
| Interest Expenses (at amortised cost) | 136.79 | 138.82 |
| Other Borrowing costs | 37.00 | 37.06 |
| Total | 173.79 | 175.88 |

NOTE 33. OTHER EXPENSES

(Amount ₹ in lacs)

| Particulars | For the year ended 31.03.18 | For the year ended 31.03.17 |
|--|--------------------------------|--------------------------------|
| Power and Fuel | 55.80 | 72.02 |
| Stores, spares and consumables (refer note no. 47) | 37.31 | 63.16 |
| Rent | 4.86 | 16.96 |
| Repairs to Machinery | 2.24 | 4.07 |
| Repairs to Buildings | 3.55 | 2.11 |
| Insurance | 4.88 | 3.87 |
| Rates & Taxes excluding taxes on income | 12.42 | 26.57 |
| Factory Expenses | 1.37 | 2.51 |
| Legal and Professional Charges | 31.14 | 36.48 |
| Travelling & Conveyance Expenses | 22.80 | 20.74 |
| Vehicle Expenses | 9.47 | 13.19 |
| Bad Debts w/off | 0.00 | 198.97 |
| Net Loss on Foreign Currency Transactions and Translations | 3.98 | 0.00 |
| Loss on Sale of Investment | 4.47 | 1.38 |
| Loss on Sales of Property, Plant & Equipment | 0.00 | 0.01 |
| Miscellaneous Expenses | 51.21 | 86.87 |
| Total | 245.50 | 548.91 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****34 Contingent Liabilities and Commitments**

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

A. Contingent Liabilities

a) Estimated amount of claims against the Company not acknowledged

as debts in respect of:

| | | |
|---|--------|--------|
| - Sales Tax, CCI and other demand disputed in appeals | 769.78 | 776.90 |
|---|--------|--------|

(Amount deposited Rs. 210.89 lacs (Previous Year Rs. 212.80 lacs))

b) Corporate Guarantee given on behalf of others : The Company has given corporate guarantee in the form of collateral security by creating equitable mortgage of office building situated at Bansri Trade Centre, M.G. Road, Indore in favour of HDFC Bank Ltd. towards credit facilities availed by M/s. Anik Industries Limited (Previous year Nil).

B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of Rs. 0.76 lacs) Rs. 1.51 lacs (Previous Year Rs. 22.93 lacs (net of advances of Rs. 9.70 lacs)).

35 The Company has been sanctioned non fund based credit facilities of Rs. 1100 lacs by Punjab National Bank Limited and Rs. 1400 Lacs from HDFC Bank Ltd. Non fund based facilities are secured by hypothecation of entire current assets of the Company present and future and further secured by -

- Hypothecation charge over all movables assets, equipments and fixtures of the company located at the Company's plant at Village Akolia, Pithampur, Distt. Dhar, (M.P.).

- 10% Cash margin in the form of term deposit receipts.

- Equitable mortgage on Company's plant situated at Village Akolia, Pithampur, Distt. Dhar, (M.P.).

- Personal guarantee of others.

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

The Company has taken various premises under cancellable operating leases. 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. 4.86 lacs (Previous Year Rs.16.96 lacs). The company has not recognized any contingent rent as expense in the statement of profit and loss.

Where company is lessor

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

The aggregate amount of operating lease income recognized in the Statement of Profit and Loss is Rs. 40.30 lacs (Previous Year Rs. 38.38 lacs).

37 During the year company has been sold 500000 ordinary shares of SLR 10/- each of M/s. Paras Industries (Pvt) Limited, Colombo, Sri Lanka to M/s. Dhanania Rubber Limited for total consideration of USD 72712 (Rs. 47.31 lacs).**38 Employee Benefit :
(A) Defined contribution plans**

In respect of defined contribution plans, an amount of Rs. 3.99 lacs (Previous Year: Rs. 4.31 lacs) has been recognised in the statement of profit and loss for the year towards employer share of provident fund contribution.

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****(B) Defined benefit plans**

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

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|--|-------------------------|-------------------------|
| I. Change in Benefit Obligation | Rs. | Rs. |
| Liability at the beginning of the year | 19.86 | 18.04 |
| Interest Cost | 1.15 | 1.30 |
| Current Service Cost | 1.47 | 1.24 |
| Remeasurement due to : | | |
| Actuarial loss/(gain) arising from change in financial assumptions | (0.40) | 0.60 |
| Actuarial loss/(gain) arising from change in demographic assumptions | 0.00 | 0.00 |
| Actuarial loss/(gain) arising on account of experience changes | (2.83) | (1.33) |
| Benefit Paid | (1.68) | 0.00 |
| Actuarial (Gain)/Loss on obligations | 0.00 | 0.00 |
| Closing of defined benefit obligation | 17.56 | 19.86 |
| II. Change in Fair value of Plan Assets | | |
| Fair Value of Plan Assets at the beginning of the year | 5.00 | 0.00 |
| Interest on plan assets | 0.44 | 0.00 |
| Contributions by Employer | 19.67 | 5.00 |
| Remeasurement due to : | | |
| Actual return on plan assets less interest on plan assets | 0.46 | 0.00 |
| Benefit Paid | (1.68) | 0.00 |
| Assets acquired/(settled) | 0.00 | 0.00 |
| Assets distributed on settlements | 0.00 | 0.00 |
| Fair Value of Plan Assets at the end of the year | 23.89 | 5.00 |
| III. Amount Recognized in the Balance Sheet | | |
| Present value of funded defined benefit obligation | 17.56 | 19.86 |
| Fair Value of Plan Assets at the end of the year | 23.89 | 5.00 |
| Net funded obligation | (6.32) | 14.86 |
| present value of unfunded defined benefit obligation | 0.00 | 0.00 |
| Amount not recognized due to asset limit | 2.15 | 0.00 |
| Net defined benefit liability/(asset) recognised in balance sheet | (4.17) | 14.86 |
| Net defined benefit liability/(asset) is bifurcated as follows : | | |
| Current | 0.00 | 2.86 |
| Non current | (4.17) | 12.00 |
| IV. Expenses Recognized in Profit and Loss A/c | | |
| Current Service Cost | 1.47 | 1.24 |
| Interest Cost | 0.71 | 1.30 |
| Administrative expenses | 0.00 | 0.00 |
| Past Service Cost | 0.00 | 0.00 |
| Actuarial (Gain)/Loss on settlement | 0.00 | 0.00 |
| Expense Recognized in P&L | 2.18 | 2.54 |
| V. Amount recognised in other comprehensive income | | |
| Opening amount recognised in OCI outside profit and loss account | (2.04) | (1.32) |
| Remeasurement due to : | | |
| Changes in financial assumptions | (0.40) | 0.60 |
| Changes in demographic assumptions | 0.00 | 0.00 |
| Experience adjustments | (2.83) | (1.33) |
| Actual return on plan assets less interest on plan assets | (0.46) | 0.00 |
| adjustment to recognise the effect of asset ceiling | 2.15 | 0.00 |
| Closing amount recognised in OCI outside profit and loss account | (3.57) | (2.04) |
| VI. Net defined benefit liability/(asset) reconciliation | | |
| Opening net defined benefit liability/(asset) | 14.86 | 18.04 |
| Expense charged to profit and loss account | 2.18 | 2.54 |
| Employers Contribution | (19.67) | (5.00) |
| Amount recognised outside Profit & Loss | (1.53) | (0.72) |
| Impact of liability assumed or settled | 0.00 | 0.00 |
| Closing net defined benefit liability/(asset) | (4.17) | 14.86 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****VII. Assumptions**

| | | |
|---------------------------------------|--------|-------|
| Discount Rate Current | 7.80% | 7.20% |
| Rate of Return on Plan Assets Current | Funded | 7.50% |
| Salary Escalation Current | 5.00% | 5.00% |
| Atrition rate | 2.00% | 2.00% |

(ii) Expected contribution for defined benefit plan for the next financial year would be Rs. 10.00 lacs (Previous Year Rs. 10.00 lacs).

VIII. Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(Amount ₹ in lacs)

| Particulars | As at 31st March, 2018 | | As at 31st March, 2017 | |
|----------------------------------|------------------------|-----------------|------------------------|-----------------|
| | Decrease 50 bps | Increase 50 bps | Decrease 50 bps | Increase 50 bps |
| Change in discounting rate | 17.89 | 17.25 | 20.44 | 19.30 |
| Change in salary escalation rate | 17.24 | 17.90 | 19.46 | 20.27 |

Inherent Risks

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

© LEAVE ENCASHMENT

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

Liability/reversal on account of Leave Encashment as at the year end Rs. (-)0.46 lacs (Previous Year Rs. 5.25 lacs).

39 Earning Per Share (EPS) :-

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|---|----------------------|----------------------|
| Net Profit after tax | 175.59 | 141.35 |
| Nominal Value of each equity share (Rs.) | 10 | 10 |
| Weighted average no. of shares | 6968850 | 6968850 |
| Basic and diluted earning per share in Rupees | 2.52 | 2.03 |

40 Payment to auditors (including gst/service tax) :

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|---------------------------|----------------------|----------------------|
| Statutory Audit Fees | 1.77 | 1.73 |
| Tax Audit Fees | 0.59 | 0.58 |
| Other Services | 3.65 | 3.51 |
| Cost Audit Fees | 0.20 | 0.20 |
| Reimbursement of Expenses | 0.01 | 0.02 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
41 Particulars in respect of Investment in the Capital of Partnership firms :-

| (Amount ₹ in lacs) | | | | | | |
|--------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| i) M/s Giriraj Buildcon | | | | | | |
| Name of the Partners | 2017-18 | | 2016-17 | | 1st April, 2016 | |
| | Balance in Capital A/c Rupees | Percentage of Share in Profit/Loss | Balance in Capital A/c Rupees | Percentage of Share in Profit/Loss | Balance in Capital A/c Rupees | Percentage of Share in Profit/Loss |
| Beejay Realtors Pvt. Ltd. | 0 | 0.00 | 0.00 | 0.05% | 0.00 | 0.05% |
| Sarthak Industries Ltd. | 0 | 0.00 | 0.00 | 0.05% | 0.00 | 0.05% |
| Ashok Kumar Jain | 0 | 0.00 | 0.92 | 10.00% | 0.92 | 10.00% |
| Kiran Jain | 0 | 0.00 | 1.84 | 20.00% | 1.84 | 20.00% |
| Arpit Realty Holding Pvt Ltd | 0 | 0.00 | 0.30 | 3.30% | 0.30 | 3.30% |
| Mamta Rathi | 0 | 0.00 | 5.52 | 60.00% | 5.52 | 60.00% |
| Ultratech Energy Ltd | 0 | 0.00 | 0.61 | 6.60% | 0.61 | 6.60% |

During the year under review the company has retired from the partnership firm and investment as on 31.03.2018 is NIL.

42 Segment Reporting as per Ind AS 108 :

| | 2017-18 | | | (Amount ₹ in lacs) |
|--|------------------|------------------|--------------------|--------------------|
| | L.P.G. Cylinders | Merchant Trading | Other/ Unallocable | Total Amount |
| (a) Primary Segment - Business | | | | |
| Segment Revenue | 2122.37 | 10157.74 | 205.85 | 12485.96 |
| | <i>3664.89</i> | <i>12841.58</i> | <i>492.98</i> | <i>16999.45</i> |
| Segment Results (PBIT) | 122.21 | 166.22 | 100.87 | 389.30 |
| | <i>134.07</i> | <i>(17.68)</i> | <i>230.87</i> | <i>347.25</i> |
| Less : Finance Cost | | | | 173.78 |
| | | | | <i>175.87</i> |
| Profit before Tax | | | | 215.52 |
| | | | | <i>171.38</i> |
| Less : Tax Expenses | | | | 39.93 |
| | | | | <i>30.03</i> |
| Profit after Tax | | | | 175.59 |
| | | | | <i>141.35</i> |
| Segment Assets | 1044.09 | 1857.15 | 4611.02 | 7512.26 |
| | <i>1428.75</i> | <i>394.18</i> | <i>6313.71</i> | <i>8136.64</i> |
| Segment Liability | 355.80 | 1332.11 | 2610.39 | 4298.30 |
| | <i>793.14</i> | <i>1141.74</i> | <i>3158.03</i> | <i>5092.92</i> |
| Segment Property, Plant & Equipment purchased / acquired | 113.46 | 0.00 | 0.89 | 114.35 |
| | <i>39.85</i> | <i>0.00</i> | <i>432.41</i> | <i>472.25</i> |
| Segment depreciation | 25.18 | 1.54 | 38.38 | 65.10 |
| | <i>36.58</i> | <i>0.11</i> | <i>17.68</i> | <i>54.36</i> |

Previous year figures shown in italic.

(b) Secondary Segment - Geographical

The company's all operations are in India only.

| Particulars | (Amount ₹ in lacs) | |
|------------------|----------------------|----------------------|
| | For the year 2017-18 | For the year 2016-17 |
| Domestic Revenue | 12462.73 | 16988.06 |
| Export Revenue | 23.23 | 11.39 |
| Total | 12485.96 | 16999.45 |

43 Related Party Disclosure :
(A) Related parties and their relationship
a. Key management personnel

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



SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- b. Parties where control exists
 Paras Industries Pvt. Ltd., Sri Lanka cease to be associate enterprise w.e.f. 22/03/2018
- c. Entities where company, key management personnel & their relatives have significant influence and where transactions have taken place
 Giriraj Buildcon cease to be partner w.e.f. 20/12/2017

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

(B) Transactions with related parties for the year ended 31st March, 2018

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|---------------------------------------|-------------------------|-------------------------|
| Income : | | |
| <u>Sales</u> | | |
| Paras Industries Pvt. Ltd., Sri Lanka | 23.23 | 11.39 |
| Expenditure : | | |
| <u>Remuneration</u> | | |
| Mr. Yogender Mohan Sharma | 9.54 | 8.64 |
| CS Amit Jain | 11.40 | 10.43 |
| CA Kailash Agarwal | 13.50 | 12.36 |
| <u>Post employment benefits</u> | | |
| Mr. Yogender Mohan Sharma | 0.14 | 0.14 |
| CS Amit Jain | 0.17 | 0.17 |
| CA Kailash Agarwal | 0.22 | 0.22 |

(C) Balances with related parties :

As at 31.03.2018 As at 31.03.2017 As at 01.04.2016

| | | | |
|---|------|-------|------|
| Investment in partnership firm : | | | |
| Giriraj Buildcon | 0.00 | 0.00 | 0.00 |
| Trade Payables : | 0.00 | 0.00 | 0.00 |
| Giriraj Buildcon | 0.00 | 0.01 | 0.01 |
| Trade Receivables : | 0.00 | 0.00 | 0.00 |
| Paras Industries (Pvt.) Ltd., Sri Lanka (w.e.f. 22.03.2018) | 0.00 | 10.94 | 0.00 |

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

| Particulars | Rate of Interest | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|---|---------------------|---------------------|---------------------|---------------------|
| a. Particulars of Loan given and outstanding as at the year end: | | | | |
| Anik Jicks Logistics Ltd | 15.00% | 498.73 | 348.86 | 281.43 |
| RRHL Reality Ltd. | 8.00% | 26.42 | 1877.54 | 1724.23 |

b. Investments made :

The same are classified under respective heads and amount utilised for purposes as mentioned in their object clause (Refer Note 4).

45 Value of Imports on CIF basis in respect of

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|----------------------------|-------------------------|-------------------------|
| Purchase of Stock-in-Trade | 140.69 | 146.01 |

46 Earning In foreign Currency

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|---------------------|-------------------------|-------------------------|
| FOB value of Export | 23.08 | 10.65 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****47 Stores and Spares Consumed -**

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | | For the year 2016-17 | |
|-------------|----------------------|-----|----------------------|-----|
| | Value | % | Value | % |
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 37.31 | 100 | 63.16 | 100 |
| Total | <u>37.31</u> | | <u>63.16</u> | |

48 Financial and Derivatives Instruments -

Derivative contract entered by the Company and outstanding as on 31.03.18

(i) Notional amount of Forward Contracts (Purchase) entered into by the company and outstanding as on 31.03.18 -

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Currency | USD | USD | USD |
| No. of contracts | Nil | 1 | Nil |
| Amt. in Foreign Currency | Nil | 75000 | Nil |
| Equivalent amt. in INR lacs | Nil | 50.18 | Nil |

Above contract is for hedging purpose and not for speculation.

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

| Particulars | As at 31.03.2018 | As at 31.03.2017 | As at 01.04.2016 |
|-----------------------------|------------------|------------------|------------------|
| Currency | USD | USD | USD |
| Amt. payable | 880000.00 | 143900.00 | 68412.60 |
| Amt. receivable | 45825 | 16867.67 | 0 |
| Net Amount Payable | 834175.00 | 127032.33 | 68412.60 |
| Equivalent amt. in INR Lacs | 542.58 | 82.39 | 45.33 |

49 Expenditure in foreign currency

(Amount ₹ in lacs)

| Particulars | For the year 2017-18 | For the year 2016-17 |
|---|----------------------|----------------------|
| Expenditures in foreign currency - Interest and Bank Charges | | 1.24 |
| | | NIL |

50 First time adoption of Ind AS**First Ind AS financial statements**

These are the Company's first separate financial statements prepared in accordance with Ind AS applicable as at 31 March 2018.

The accounting policies set out in note B have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet as at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has restated the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP) so as to comply in all material respects with Ind AS.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

First-time adoption

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS :

I) Optional exemptions

Property, plant and equipment and intangible assets

IND AS 101 permits to measure all its property ,plant and equipment at their previous GAAP carrying value i.e. being deemed cost represented by Gross Block reduced by accumulated depreciation on 1st ,April 2016

Leases

In accordance with Ind-AS transitional provisions, the company opted to determine whether an arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement.

Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transaction cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

Estimates

The estimates at 1st April, 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustment to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

- Impairment of financial assets based on expected credit loss method.
- Investment in debt instruments carried at Amortised Cost.
- investment in equity instruments carried at Fair Value through profit or loss.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at the transition date and as of 31st March, 2017.

II) Ind AS mandatory exceptions

Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

Derecognition of financial assets & financial liabilities

The company has elected to apply the derecognition requirements for financial assets & financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Impact of transition to Ind AS

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the period previously reported under Indian GAAP following the date of transition of Ind AS.

Derecognition of financial assets and financial liabilities:

The Company has opted to apply the exemption available under Ind AS 101 to apply the derecognition criteria of Ind AS 109 prospectively for the transactions occurring on or after the date of transition to Ind AS.

Transition to Ind AS Reconciliation

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) Reconciliation of Balance sheet as at April 1, 2016 and March 31, 2017
- (ii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017
- (iii) Reconciliation of Equity as at April 1, 2016 and March 31, 2017
- (iv) Reconciliation of Cash Flow for the year ended March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.



SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

50.1 Reconciliation of equity as at 1st April 2016 and as at 31st March, 2017

Effect of Ind AS adoption on the balance sheet as at 31st March, 2017 and 1st April, 2016

(Amount ₹ in lacs)

| Particulars | As at 1st April, 2016 (End of last period presented under previous GAAP) | | | As at 31st March, 2017 (Date of Transition) | | |
|---|--|--|----------------|--|--|----------------|
| | Previous GAAP | Effect of Transition to Ind AS (including reclassificat ions) | Ind AS | Previous GAAP | Effect of Transition to Ind AS (including reclassificat ions) | Ind AS |
| I. ASSETS | | | | | | |
| (1) Non-current assets | | | | | | |
| (a) Property, plant and equipment | 2488.67 | 0.00 | 2488.67 | 2879.49 | 0.00 | 2879.49 |
| (b) Capital work-in-progress | 149.38 | 0.00 | 149.38 | 160.72 | 0.00 | 160.72 |
| (c) Other Intangible assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (d) Financial assets | | | | | | |
| (i) Investments | 15.74 | 137.07 | 152.81 | 268.09 | 79.38 | 347.46 |
| (ii) Loans | 301.55 | 0.00 | 301.55 | 303.36 | 0.00 | 303.36 |
| (iii) Other financial assets | 0.00 | 27.69 | 27.69 | 0.00 | 83.65 | 83.65 |
| (e) Deferred tax assets | 32.32 | (26.47) | 5.86 | 37.04 | (34.31) | 2.73 |
| (f) Other non-current assets | 253.35 | (27.69) | 225.65 | 179.18 | (83.65) | 95.53 |
| Total non-current assets | 3241.00 | 110.61 | 3351.61 | 3827.88 | 45.06 | 3872.94 |
| (2) Current assets | | | | | | |
| (a) Inventories | 1582.81 | 0.00 | 1582.81 | 411.95 | 0.00 | 411.95 |
| (b) Financial assets | | | | | | |
| (i) Trade receivables | 1693.48 | (62.84) | 1630.65 | 937.93 | (37.54) | 900.38 |
| (ii) Cash and cash equivalents | 225.62 | 0.00 | 225.62 | 91.27 | 0.00 | 91.27 |
| (iii) Bank balances other than (ii) above | 182.63 | 0.00 | 182.63 | 93.57 | 0.00 | 93.57 |
| (iv) Loans | 2007.09 | 0.00 | 2007.09 | 2227.82 | 0.00 | 2227.82 |
| (v) Others | 0.00 | 465.11 | 465.11 | 0.00 | 513.20 | 513.20 |
| (c) Other current assets | 566.87 | (465.11) | 101.76 | 538.70 | (513.20) | 25.50 |
| Total current assets | 6258.50 | (62.84) | 6195.65 | 4301.24 | (37.54) | 4263.70 |
| (3) Non Current Assets held for sale | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Assets | 9499.50 | 47.76 | 9547.26 | 8129.12 | 7.52 | 8136.64 |
| II. EQUITY AND LIABILITIES | | | | | | |
| (1) Equity | | | | | | |
| (a) Equity share capital | 696.89 | 0.00 | 696.89 | 696.89 | 0.00 | 696.89 |
| (b) Other equity | 2410.61 | (147.91) | 2262.70 | 2521.15 | (174.30) | 2346.85 |
| Total equity | 3107.49 | (147.91) | 2959.58 | 3218.03 | (174.30) | 3043.73 |
| (2) Non-Current Liabilities | | | | | | |
| (a) Financial liabilities | | | | | | |
| - Borrowings | 0.00 | 0.00 | 0.00 | 727.67 | (0.70) | 726.97 |
| (b) Provisions | 18.58 | 0.00 | 18.58 | 20.02 | 0.00 | 20.02 |
| Total non-current liabilities | 18.58 | 0.00 | 18.58 | 747.68 | (0.70) | 746.99 |
| (3) Current liabilities | | | | | | |
| (a) Financial liabilities | | | | | | |
| (i) Borrowings | 833.76 | 0.00 | 833.76 | 0.00 | 0.00 | 0.00 |
| (ii) Trade payables | 5357.13 | 195.67 | 5552.80 | 3457.42 | 182.52 | 3639.93 |
| (iii) Other financial liabilities | 0.00 | 44.31 | 44.31 | 0.00 | 568.70 | 568.70 |
| (b) Other current liabilities | 179.32 | (44.31) | 135.01 | 700.90 | (568.70) | 132.20 |
| (c) Provisions | 3.21 | 0.00 | 3.21 | 5.09 | 0.00 | 5.09 |
| Total current liabilities | 6373.43 | 195.67 | 6569.10 | 4163.41 | 182.52 | 4345.92 |
| Total Equity and Liabilities | 9499.50 | 47.76 | 9547.26 | 8129.12 | 7.52 | 8136.64 |



SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

50.2 Reconciliation of total equity as at 31 March, 2017 and 01 April, 2016

(Amount ₹ in lacs)

| Reconciliation of total Equity for the year ended | Note | As at 31 March 2017 | As at 1st April 2016 |
|--|------|---------------------|----------------------|
| Total equity (shareholders' funds) under Previous GAAP | | 3218.04 | 3107.50 |
| Fair value of equity instruments | I | 79.38 | 137.07 |
| Amortisation of processing fee | III | 0.70 | 0.00 |
| Impact of exchange fluctuation | II | (182.52) | (195.67) |
| Allowance for doubtful debts | VI | (37.54) | (62.85) |
| Tax adjustments impact on above | V | (34.31) | (26.47) |
| Equity as per Ind AS | | 3043.74 | 2959.59 |

50.3 Reconciliation of total comprehensive income for the year ended 31 March 2017

(Amount ₹ in lacs)

| Reconciliation of total Equity for the year ended | Note | For the Year ended 31st March, 2017 |
|--|------|-------------------------------------|
| Profit as per previous GAAP | | 110.54 |
| Amortisation of processing fee | III | 0.70 |
| Actuarial gain on gratuity classified from P&L to OCI | IV | (0.72) |
| Impact of foreign exchange fluctuation | II | 13.15 |
| Allowance for doubtful debts | VI | 25.31 |
| Tax adjustments impact on above | V | (7.62) |
| Profit for the year as per Ind AS | | 141.35 |
| Other Comprehensive Income (net of taxes) | | |
| -Remeasurement of defined benefit plan | | 0.50 |
| -Gain/(Loss) on change in fair value of equity instruments | | (57.70) |
| Total comprehensive income under Ind AS | | 84.15 |


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018
50.4 Reconciliation of total comprehensive income for the year ended 31st March 2017

(Amount ₹ in lacs)

| Particulars | Note no. | Previous GAAP | Effect of Transition to Ind AS (including reclassifications) | Ind AS |
|--|----------|-----------------|--|-----------------|
| I. INCOME | | | | |
| a. Revenue from operations | | 16506.46 | 0.00 | 16506.46 |
| Less : Excise Duty | | 393.68 | (393.68) | 0.00 |
| | | 16112.78 | 393.68 | 16506.46 |
| b. Other Income | | 454.53 | 38.46 | 492.99 |
| Total Income | | 16567.30 | 432.14 | 16999.45 |
| II. EXPENSES | | | | |
| a. Cost of materials consumed | | 2648.67 | 0.00 | 2648.67 |
| b. Purchase of stock-in-trade | | 11517.87 | 0.00 | 11517.87 |
| c. Changes in inventories of finished goods, work-in-progress and stock-in-trade | | 1202.04 | 0.00 | 1202.04 |
| d. Excise duty | | 0.00 | 393.68 | 393.68 |
| e. Employee benefits expense | | 285.93 | 0.72 | 286.65 |
| f. Finance costs | | 176.57 | (0.70) | 175.88 |
| g. Depreciation and amortization expense | | 54.36 | 0.00 | 54.36 |
| h. Other expenses | | 548.91 | 0.00 | 548.91 |
| Total Expenses | | 16434.35 | 393.71 | 16828.07 |
| III. Profit before exceptional items and tax (I - II) | | 132.95 | 38.43 | 171.38 |
| IV. Exceptional Items | | 0.00 | 0.00 | 0.00 |
| V. Profit before tax | | 132.95 | 38.43 | 171.38 |
| VI. Tax expense: | | | | |
| a. Current tax | | 27.13 | 0.00 | 27.13 |
| b. Deferred tax | | (4.72) | 7.62 | 2.90 |
| c. Income tax for earlier years | | 0.00 | 0.00 | 0.00 |
| | | 22.41 | 7.62 | 30.03 |
| VII. Profit for the Year (V-VI) | | 110.54 | 30.81 | 141.35 |
| VIII. Other comprehensive income | | | | |
| A. (i) Items that will not to be reclassified to Profit or Loss | | | | |
| -Remeasurement of defined benefit plan | | 0.00 | 0.72 | 0.72 |
| -Tax impact thereon | | 0.00 | (0.22) | (0.22) |
| -Gain/(Loss) on change in fair value of equity instruments | | 0.00 | (57.70) | (57.70) |
| -Tax impact thereon | | 0.00 | 0.00 | 0.00 |
| B. (i) Items that will be reclassified to Profit or Loss | | 0.00 | 0.00 | 0.00 |
| Total other comprehensive income | | 0.00 | (57.20) | (57.20) |
| Total comprehensive income | | 110.54 | (26.39) | 84.15 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****50.5 Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2017**

(Amount ₹ in lacs)

| Particulars | Previous GAAP | Effect of Transition to Ind AS (including reclassifications) | Ind AS |
|--|----------------------|---|---------------|
| Net cash flow from operating activities | 214.97 | 0.00 | 214.97 |
| Net cash flow from investing activities | (58.44) | (2.14) | (60.58) |
| Net cash flow from financing activities | (288.74) | 0.00 | (288.74) |
| Net increase/(decrease) in cash and cash equivalents | (132.20) | (2.14) | (134.34) |
| Cash and cash equivalents as at 1 April 2016 | 225.62 | 0.00 | 225.62 |
| Cash and cash equivalents as at 31 March 2017 | 93.42 | (2.14) | 91.28 |

50.6 Notes to Reconciliation

I. Under Previous GAAP, the company made investment in equity instruments and are recorded at lower of cost or net realisable value. Under Ind AS the investment in equity instruments has been fair valued through OCI.

II. Under the previous GAAP, the premium or discount arising at the inception of foreign exchange forward contracts entered into to hedge an existing asset / liability, were amortised as expense or income over the life of the contract. Exchange differences on such contracts were recognized in the statement of profit and loss in the reporting period in which the exchange rate changes. Under the IND AS 109, foreign exchange forward contracts are carried at fair value and the resultant gains /(losses) are recorded in the statement of profit and loss, if any.

III. Under Previous GAAP , the transaction cost (i.e. Processing Cost) incurred towards borrowings was charged to Profit and Loss account. Upon transition to Ind AS, the transaction cost has been amortized over the loan period with interests as per effective interest rate method.

IV. Under Previous GAAP, the cost relating to post employment benefit obligation including actuarial gain/losses were recognised in profit and loss. Under the Ind AS, actuarial gain/losses on the net defined liability are recognised in the other comprehensive income instead of profit and loss

V. Tax adjustments include deferred tax impact on account of differences between previous GAAP and Ind AS.

VI. Company measure its trade receivables on expected credit loss model.

**SARSHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****51. Financial risk management objectives and policies**

In its ordinary operations, the companies activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks:

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), will affect the companies income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Interest rate risk

Interest rate risk is the risk the the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rate. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing financial instrument because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing financial instrument will fluctuate because of fluctuations in the interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the borrowing from banks and others. Currently company is not using any mitigating factor to cover the interest rate risk.

(Amount ₹ in lacs)

| Particulars | For the Year ended 31st March 2018 | For the Year Ended 31st March 2017 | For the Year Ended 1st April 2016 |
|--|------------------------------------|------------------------------------|-----------------------------------|
| Interest rate risk exposure (variable rate) | | | |
| Borrowings from banks and others | 1169.73 | 742.18 | 858.22 |
| Total borrowings | 1169.73 | 742.18 | 858.22 |

Interest rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rates for borrowing at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans that have floating rates. If the interest rates had been 1% higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on companies profit in that financial year would have been as below:

| Particulars | For the Year ended 31st March 2018 | For the Year Ended 31st March 2017 |
|--|------------------------------------|------------------------------------|
| Impact on Profit or Loss for the year decrease | 11.70 | 7.42 |
| Impact on Profit or Loss for the year Increase | -11.70 | -7.42 |

ii) Foreign currency risk

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that Company. The company enters in to derivative financial instrument such foreign currency forward contract and option contracts to mitigate the risk of changes in exchange rate on foreign currency exposure.

Following table analysis foreign currency assets and liabilities on balance sheet date.

(Amount ₹ in lacs)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------------------|-----------------------|-----------------------|----------------------|
| Receivable in Foreign currency | 29.81 | 10.94 | 0.00 |
| Payable in Foreign currency | 572.39 | 93.33 | 45.33 |

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|-------------------------------|-----------------------|-----------------------|----------------------|
| Outstanding forward contracts | 0.00 | 50.18 | 0.00 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****Sensitivity to foreign currency risk**

The following table demonstrates the sensitivity in the USD currencies if the currency rate is increased/(decreased) by 1% with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(Amount ₹ in lacs)

| Currency | Sensitivity analysis | | | |
|--------------------------------------|------------------------------------|----------|------------------------------------|----------|
| | For the Year ended 31st March 2018 | | For the Year Ended 31st March 2017 | |
| | USD | USD | USD | USD |
| | Increase | Decrease | Increase | Decrease |
| Sensitivity to foreign currency risk | 5.43 | -5.43 | 0.82 | -0.82 |

(b) Credit risk

Credit risk is the risk that arises from the possibility that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial assets that are subject to such risk, principally consist of trade receivables, Investments and loans and advances. None of the financial instruments of the company results in material concentration of credit risk.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Trade and other receivables

To Manage trade and other receivables, the company periodically assesses the financial reliability of customers, taking in to account the financial conditions, economic trends, analysis to historical bad debts and ageing of such receivables.

The ageing analysis of the trade receivables has been considered from the date the invoice falls due :

(Amount ₹ in lacs)

| Particular | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--------------------|-----------------------|-----------------------|----------------------|
| Up to 6 months | 1171.16 | 530.06 | 1066.07 |
| More then 6 months | 303.90 | 407.86 | 627.43 |
| Total | 1475.06 | 937.93 | 1693.49 |

The following table summarizes the change in the loss allowances measured using expected credit loss

(Amount ₹ in lacs)

| Particulars | Amount |
|---------------------------------------|--------|
| Balance as at 1st April, 2016 | 62.85 |
| Provided during the year | 0.00 |
| Reversed during the year | 25.31 |
| Balance as at 31st March, 2017 | 37.54 |
| Provided during the year | 0.00 |
| Reversed during the year | 7.53 |
| Balance as at 31st March, 2018 | 30.02 |

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counter-parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties apart from those already given in financials, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.



SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company has obtained non-fund based working capital line from bank. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Expected contractual maturity for derivative and non derivative Financial Liabilities:

(Amount ₹ in lacs)

| Particulars | Less than 1 year | 1 to 5 years | >5 years | Total |
|---|------------------|----------------|-------------|----------------|
| As at 31st March, 2018 | | | | |
| Non Derivative Financial Liabilities | | | | |
| Borrowings | 16.98 | 1152.75 | 0.00 | 1169.73 |
| Trade payables | 2320.05 | 0.00 | 0.00 | 2320.05 |
| Other financial liabilities | 432.93 | 0.00 | 0.00 | 432.93 |
| Total | 2769.96 | 1152.75 | 0.00 | 3922.71 |
| Derivative Financial Liabilities | | | | |
| Forward Contract outstanding | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 31st March, 2017 | | | | |
| Non Derivative Financial Liabilities | | | | |
| Borrowings | 15.21 | 726.97 | 0.00 | 742.18 |
| Trade payables | 3639.93 | 0.00 | 0.00 | 3639.93 |
| Other financial liabilities | 553.49 | 0.00 | 0.00 | 553.49 |
| Total | 4208.63 | 726.97 | 0.00 | 4935.60 |
| Derivative Financial Liabilities | | | | |
| Forward Contract outstanding | 50.18 | 0.00 | 0.00 | 50.18 |
| Total | 50.18 | 0.00 | 0.00 | 50.18 |
| As at 1st April, 2016 | | | | |
| Non Derivative Financial Liabilities | | | | |
| Borrowings | 858.22 | 0.00 | 0.00 | 858.22 |
| Trade payables | 5552.80 | 0.00 | 0.00 | 5552.80 |
| Other financial liabilities | 19.85 | 0.00 | 0.00 | 19.85 |
| Total | 6430.87 | 0.00 | 0.00 | 6430.87 |
| Derivative Financial Liabilities | | | | |
| Forward Contract outstanding | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 |

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and 31st March, 2017.

Gearing Ratio:

(Amount ₹ in lacs)

| Particulars | As at 31st March 2018 | As at 31st March 2017 | As at 1st April 2016 |
|--|-----------------------|-----------------------|----------------------|
| Debt (Refer Notes 19, 21 and 23) | 1169.73 | 742.18 | 858.22 |
| Cash and cash equivalent (Refer Note 11) | 356.35 | 91.28 | 225.63 |
| Adjusted net Debt | 813.38 | 650.90 | 632.59 |
| Total Equity | 3213.99 | 3043.74 | 2959.59 |
| Net Debt to equity ratio | 0.25 | 0.21 | 0.21 |



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

52. Financial Instruments by Category and fair value heirarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

(Amount ₹ in lacs)

| As 31st March 2018 | Fair Value Measurement | | | Fair Value hierarchy | | |
|--|------------------------|---------------|----------------|----------------------|-------------|---------------|
| | FVTPL | FVOCI | Amortised Cost | Level-1 | Level-2 | Level-3 |
| Financial assets | | | | | | |
| Investments in equity instruments | | 285.83 | 0.00 | 80.53 | | 205.30 |
| Cash and cash equivalents | | | 356.35 | | | |
| Bank balances other than cash and cash equivalents | | | 147.31 | | | |
| Trade Receivables | | | 1445.04 | | | |
| Loans | | | 839.39 | | | |
| Other financial assets | | | 507.82 | | | |
| Total | 0.00 | 285.83 | 3295.91 | 80.53 | 0.00 | 205.30 |
| Financial liabilities | | | | | | |
| Borrowings | | | 1169.73 | | | |
| Trade Payables | | | 2320.05 | | | |
| Forward Contracts Premium Payables | | | 0.00 | | | |
| Other financial liability | | | 432.93 | | | |
| Total | 0.00 | 0.00 | 3922.71 | 0.00 | 0.00 | 0.00 |

| As 31st March 2017 | Fair Value Measurement | | | Fair Value hierarchy | | |
|--|------------------------|---------------|----------------|----------------------|-------------|---------------|
| | FVTPL | FVOCI | Amortised Cost | Level-1 | Level-2 | Level-3 |
| Financial assets | | | | | | |
| Investments in equity instruments | | 347.46 | 0.00 | 94.66 | | 252.80 |
| Cash and cash equivalents | | | 91.28 | | | |
| Bank balances other than cash and cash equivalents | | | 93.56 | | | |
| Trade Receivables | | | 900.39 | | | |
| Loans | | | 2531.18 | | | |
| Other financial assets | | | 596.85 | | | |
| Total | 0.00 | 347.46 | 4213.26 | 94.66 | 0.00 | 252.80 |
| Financial liabilities | | | | | | |
| Borrowings | | | 742.18 | | | |
| Trade Payables | | | 3639.93 | | | |
| Forward Contracts Premium Payables | | | 0.00 | | | |
| Other financial liability | | | 553.49 | | | |
| Total | 0.00 | 0.00 | 4935.60 | 0.00 | 0.00 | 0.00 |

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

| As 1st April 2016 | Fair Value Measurement | | | Fair Value hierarchy | | |
|--|------------------------|---------------|----------------|----------------------|-------------|-------------|
| | FVTPL | FVOCI | Amortised Cost | Level-1 | Level-2 | Level-3 |
| Financial assets | | | | | | |
| Investments in equity instruments | | 152.81 | 0.00 | 152.72 | | 0.09 |
| Cash and cash equivalents | | | 225.63 | | | |
| Bank balances other than cash and cash equivalents | | | 182.63 | | | |
| Trade Receivables | | | 1630.64 | | | |
| Loans | | | 2308.63 | | | |
| Other financial assets | | | 492.80 | | | |
| Total | 0.00 | 152.81 | 4840.33 | 152.72 | 0.00 | 0.09 |
| Financial liabilities | | | | | | |
| Borrowings | | | 858.22 | | | |
| Trade Payables | | | 5552.80 | | | |
| Forward Contracts Premium Payables | | | 0.00 | | | |
| Other financial liability | | | 19.85 | | | |
| Total | 0.00 | 0.00 | 6430.87 | 0.00 | 0.00 | 0.00 |

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS. An explanation for each level is given below.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

53. Tax Expenses :

A. Tax expenses recognised in the statement of Profit & Loss

| | (Amount ₹ in lacs) | |
|--|---|---|
| | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
| (i) Current Tax | | |
| in respect of current year | 44.75 | 27.13 |
| Total Current Tax | 44.75 | 27.13 |
| (ii) Deferred Tax | | |
| in respect of current year | 0.47 | 2.90 |
| Total Deferred income tax expense/(credit) | 0.47 | 2.90 |
| (iii) Income tax for earlier years | -5.29 | 0.00 |
| Total income tax expense/(credit) | 39.93 | 30.03 |

B. Amounts Recognised in Other Comprehensive Income

| | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---|---|---|
| <u>(i) Items that will not be reclassified to Profit or Loss</u> | | |
| tax impact on remeasurements of the defined benefit Plans | 0.47 | 0.22 |
| tax impact on Gain/Loss on change in fair value of equity instruments | -3.36 | 0.00 |
| <u>(ii) Items that will be reclassified to Profit or Loss</u> | 0.00 | 0.00 |
| (B) Total | -2.88 | 0.22 |
| Total Tax expenses for the year (A+B) | 37.05 | 30.26 |

A reconciliation of the income tax amount between the enacted income tax rate and the effective income

tax of the Company is as follows:

| | | |
|--|--------|--------|
| Profit before tax | 215.52 | 171.38 |
| Applicable Tax Rate | 0.3090 | 0.3306 |
| income tax as per above rate | 67.00 | 57.00 |
| Adjustments for taxes for | | |
| Expense not deductible for tax purposes | 31.01 | 28.90 |
| Expense allowable/considered separately for tax purposes | -73.95 | -81.31 |
| Tax due to change in tax rate | 22.65 | 21.72 |
| Others | -6.79 | 3.72 |
| Income tax as per statement of profit and loss | 39.93 | 30.03 |

The movement in Deferred tax assets and liabilities during the year ended March 31, 2017 and march 31, 2018

| Movement during the year ended March 31,2017 & March 31, 2018 | Opening Balance | Recognised in Profit or Loss | Recognised in OCI | Closing Balance |
|--|------------------------|-------------------------------------|--------------------------|------------------------|
| Deferred tax assets | | | | |
| Amount allowable on payment basis | 19.36 | -2.70 | 2.88 | 19.54 |
| Deferred tax liabilities | | | | |
| Depreciation on PPE | 16.63 | -2.23 | 0.00 | 14.39 |
| Deferred tax assets/(liabilities) net | 2.73 | -0.47 | 2.88 | 5.15 |



SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

As per our report of even date For and on behalf of the Board of Directors
For SMAK & Co.
Chartered Accountants

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishk Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner
M. No. : 421425
Place : Indore
Dated : 30th May, 2018

CS Amit Jain
Company Secretary

CA Kailash Agarwal
Chief Financial Officer



FORM NO. MGT- 11
PROXY FORM

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

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

Name of the member(s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

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

1. Name :

Address :

E-mail Id :

Signature :, or failing him

2. Name :

Address :

E-mail Id :

Signature :, or failing him

3. Name :

Address :

E-mail Id :

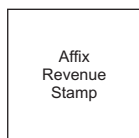
Signature :



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on the Monday, 24th September, 2018 at 1.00 p.m. at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description |
|--------------------------|---|
| Ordinary Business | |
| 1. | To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2018 together with the Report of the Directors and Auditors thereon. |
| 2. | To appoint a Director in place of Ms. Deepika Arora (DIN: 07117491) who retires by rotation and being eligible offers herself for re-appointment. |
| Special Business | |
| 3. | To approve the remuneration payable to M/s A. GOYAL AND CO., Cost Accountant (Firm Registration No. 101308), Cost Auditors of the Company for the financial year ending 31st March, 2019. |
| 4. | To appoint Mr. Nimishek Ved (DIN: 07362817) as an Independent Director of the Company. |
| 5. | To approve the re-appointment of Mr. Vijay Rathi (DIN: 01474776) as an Independent Director of the Company. |
| 6. | To approve the re-appointment of Mr. Udesh Dassani (DIN: 00511709) as an Independent Director of the Company. |

Signed this..... day of..... 2018



Signature of shareholder

Signature of Proxy holder(s)

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

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

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

34th Annual General Meeting

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON MONDAY, 24TH SEPTEMBER, 2018

Registered Folio No/ Client Id No.

Full Name of Member (in BLOCK LETTERS)

No. of Shares held.....

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

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India on Monday, 24th September, 2018.

.....
(Member/proxy's Signature)
(Name in BLOCK LETTERS, if signed by proxy)

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