

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

03rd September, 2019

To,
The BSE Ltd.
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

Dear Sir/ Madam,

Sub: Submission of Annual Report for the year 2018-19.

Dear Sir,

In compliance with the requirements of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find attached the Annual Report of the Company for the FY 2018-19 containing Notice of AGM, Board Report & its annexures, Audit Report, Financial Statement and other required attachments.

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

**35th Annual Report
2018-19**

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 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. GOYALAND 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 BSE Ltd.

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NOTICE

NOTICE is hereby given that the 35th 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 Friday, the 27th September, 2019 at 1.00 p.m. to transact the following businesses:

ORDINARY BUSINESSES

1. To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2019 together with the Report of the Board of 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 BUSINESSES

3. To ratify and confirm payment of remuneration of Cost Auditors for the financial year ending March 31st, 2020 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, 2020 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 re-appointment of Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time 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 the Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Yogender Mohan Sharma (DIN-03644480) as a whole-time Director of the Company for a further period of 3 years with effect from 15th July, 2019 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

TENURE: 3 (Three) years with effect from 15th July, 2019.

SALARY: Rs. 90,000/- per month.

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

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

SITTING FEES: Mr. Yogender Mohan Sharma shall not be entitled to any sitting fees.

RESOLVED FURTHER THAT wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 for that year, which will be payable to him as minimum remuneration for that year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase the salary with an annual increment upto Rs. 20,000/- (Rupees Twenty Thousand only) per month, from time to time during the tenure of said three years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto.

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

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2019

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 **20th September, 2019 to 27th September, 2019 (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 4 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. deletion of name, transmission of shares and transposition of shares.
8. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in demat form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. In view of the above, Members are advised to dematerialise the shares held in physical form.
9. Members who are holding equity shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, 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 2018-19, circulated to the Members of the Company, is available on the Company's website viz. www.sarthakindustries.com.
13. **Voting through electronic means (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 35th 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 Tuesday, 24th September, 2019 at 9.00 a.m. and ends on Thursday, 26th September, 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 20th September, 2019 i.e. cut-off date (record date), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.



(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first letter of their name and the 9 digits of the sequence number (which is printed on address sticker), in the PAN field. • In case the sequence number is less than 9 digits enter the applicable number of 0's before the number after the first character of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter R00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "SARTHAK INDUSTRIES LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. 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 or contact to Mr. Rakesh Dalvi Telephone no. 1800225533, Email: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, 2019

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, 2020 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:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 15th July, 2019, re-appointed Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company for a period of 3 years with effect from 15th July, 2019, subject to the approval of the Members.

The resolution needs the approval of the members in terms of sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) for the appointment of Mr. Yogender Mohan Sharma as a Whole-time Director of the Company on the terms and conditions as mentioned in resolution.

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 Directors seeking appointment/ re-appointment at the ensuing Meeting are provided and forms a part of the Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

THE FOLLOWING INFORMATION PERTAINING TO MR. YOGENDER MOHAN SHARMA IS FURNISHED PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013:

I. GENERAL INFORMATION

(i) Nature of Industry

Company is engaged in manufacturing of LPG Cylinders. 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.

(ii) Date of Commencement of commercial production

The company has started its commercial production in the year 1982.

(iii) In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable.

(iv) Financial Performance based on given indicators

Figures of revenue and profit recorded during last five financial years are as follows: (Rs. in Lacs)

Financial Year	Revenue from operations	Profit before Tax	Profit after Tax
2018-19	11195.67	118.51	44.90
2017-18	12109.59	215.50	175.57
2016-17	16506.46	171.38	141.35
2015-16	10085.95	106.89	82.07
2014-15	9770.46	41.57	27.14

(v) Foreign investments or collaborators, if any

The Company has invested in Paras Industries (Private) Limited, Sri Lanka and holds 19,49,284 ordinary shares representing 12.11%. As per the shareholding pattern of the Company as on March 31, 2019, one Overseas Corporate Bodies holds 4,66,540 equity shares representing 6.69% and 2 Non Resident Indian hold 535 equity shares representing 0.01% of the paid-up equity share capital of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

Name of Directors	Mr. Yogender Mohan Sharma (DIN-03644480)
Background Details	Mr. Yogender Mohan Sharma, aged 68 years, is bachelor in science and having around 40 years experience of managerial level in manufacturing units.
Past Remuneration	Rs. 10,15,546/- during FY 2018-19
Recognition or Awards	Nil
Job profile and his suitability	As Whole-time Director of the Company, Mr. Yogender Mohan Sharma is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Whole-time Director of the Company.
Remuneration Proposed	The remuneration details are provided in the resolution.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking into consideration the size of the Company, the profile of Mr. Yogender Mohan Sharma, the responsibilities shouldered on him and the industry benchmarks, the proposed remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Yogender Mohan Sharma has no pecuniary relationship directly or indirectly with the Company or key managerial personnel of the Company except his remuneration in the capacity of a Whole-Time Director. He does not hold any equity share of the Company.



III. OTHER INFORMATION:

(1) **Reasons for loss or inadequate profits**

- Global economic slowdown
- Higher finance cost
- Increase in raw material cost

(2) **Steps taken or proposed to be taken for improvement**

The Company has initiated various steps to improve its operational performance/liquidity, including cost control measures have been put in place. Company has drastically reduced credit facilities and various realignment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost.

(3) **Expected increase in productivity and profit in measurable terms**

Based on the current business plans, strict cost control measures, availability of banking limits and continued support from the Promoters, the Company believes that it would be able to sustain the volatile market conditions and emerge successfully in terms of good turnover and profits in the days to come.

IV. DISCLOSURES:

The details as required in this part has been mentioned under 'Report on Corporate Governance forming part of Board's Report.

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

Save and except Mr. Yogender Mohan Sharma, 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 Special Resolution set out at Item No. 4 of the Notice.

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2019

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. YOGENDER MOHAN SHARMA (DIN: 03644480)
Date of Birth	03.05.1983	15.10.1951
Age	36 years	68 years
Date of first appointment	16.03.2015	15.07.2014
Expertise / Experience in specific functional areas	She is having vast experience in the field of finance.	He is having around 40 years experience of managerial level in manufacturing units.
Qualification	C.A.	B.Sc.
Terms and Conditions of Appointment/ Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting held on 22 nd September, 2015.	As provided in the resolution at item no. 4 of the Notice of this Annual General Meeting read with explanatory statement thereto.
Remuneration last drawn (Sitting fee during 2018-19)	Rs. 6,000/- as Sitting Fee during the financial year 2018-19.	Rs. 10,15,546/- during FY 2018-19.
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 read with explanatory statement thereto.
No. & % of Equity Shares held in the Company (as on 31.03.2019).	Nil	Nil
Directorship in other Companies (As on 31.03.2019)	Nil	Sarthak Global Ltd.
Number of Meetings of the Board attended during the year.	6 out of 9	7 out of 9
Chairman / Member of the Committees of the Board Directors of other Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Chairman of Stakeholders' Relationship Committee and Member of Audit Committee of Sarthak Global Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Nil	Member of Audit Committee, Stakeholders' Relationship Committee and Chairman of Risk Management Committee of the Company
Relationship between directors inter-se.	Not related to any director of the Company	Not related to any director of the Company

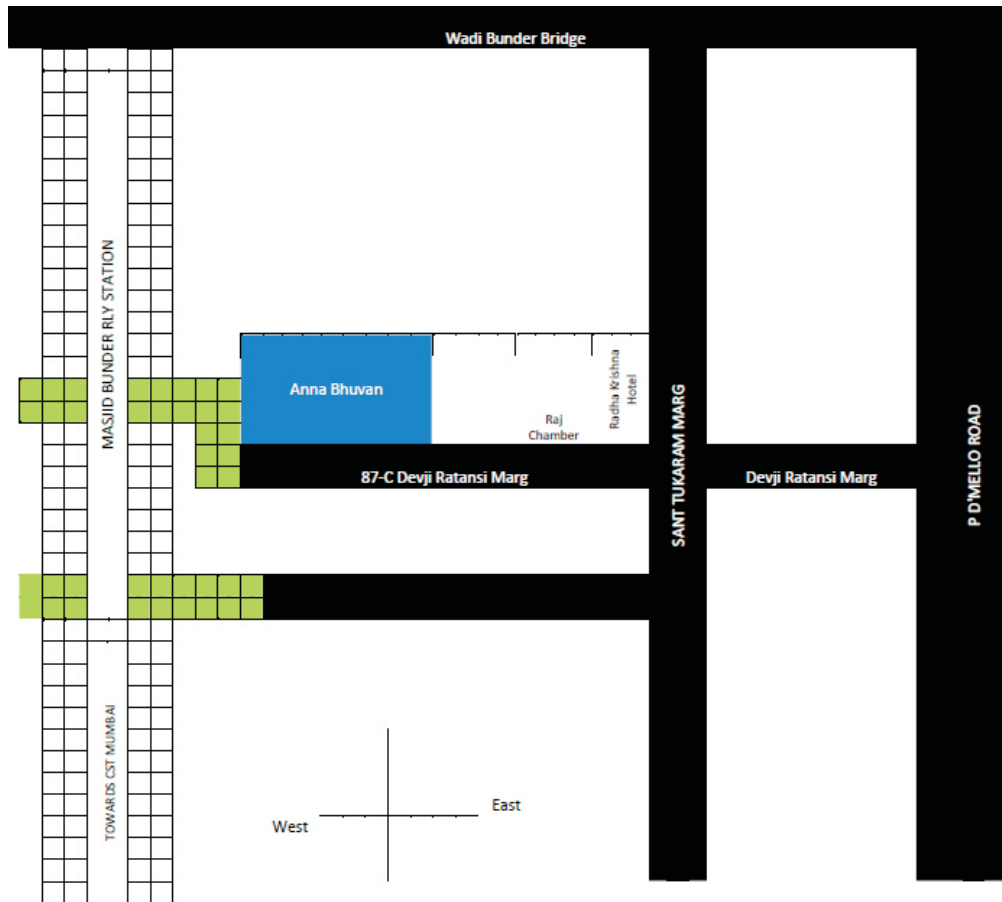
By order of the Board of Directors

Place: Indore
Dated: 14th August, 2019

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 35th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL SUMMARY

The performance of the Company for the financial year ended on 31st March, 2019 is summarized below:

(Rs. In Lacs)

Particulars	2018-19	2017-18
Revenue from operations	11,195.67	12,109.59
Other Income	144.56	376.37
Profit/ (Loss) before Depreciation, Finance Cost, Exceptional items & Tax Expenses	350.24	454.41
Less: Depreciation	71.32	65.10
Profit/ (Loss) before Finance Cost, Exceptional Items and Tax Expenses	278.92	389.31
Less: Finance Cost	160.42	173.79
Profit/ (Loss) before Exceptional Items and Tax Expenses	118.50	215.52
Add/ (Less): Exceptional items	--	--
Profit/ (Loss) before Tax Expenses	118.50	215.52
Less: Tax Expenses	73.60	39.93
Profit/ (Loss) after Taxation	44.90	175.59
Add: Other Comprehensive Income	(6.56)	(5.34)
Total Comprehensive Income	38.34	170.25
Balance brought forward from previous year	2517.07	2346.82
Amount available for appropriation	2555.41	2517.07
APPROPRIATION	--	--
Amount Carried to Balance sheet	2555.41	2517.07
Paid Up Equity Share Capital	696.89	696.89
Earnings Per share (Rs. 10/- each) Basic & Diluted (in Rs.)	0.64	2.52

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 2018-19 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 2019.

CHANGE IN NATURE OF BUSINESS

During the year there was no change in the nature of business of the company.

OPERATIONS

During the year under review, Revenue from operations and Other Income of the Company stood at Rs. 11,340.23 Lacs showing decreasing trend over the previous year Revenue from operations and Other Income Rs. 12,485.96 Lacs. Profit before tax has decreased and stood at Rs. 118.50 Lacs as compared to previous year figures Rs. 215.52 Lacs and Net Profit also decreased and stood at Rs. 44.90 Lacs as compared to previous year net profit Rs. 175.59 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 2019 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 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

There were no funds which were required to be transferred to Investor Education and Protection Fund.

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 Practicing Company Secretary 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, 2019; 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.

During the year in the Annual General Meeting held on 24th September, 2018, Mr. Nimishek Ved (DIN: 07362817) has been appointed as Independent Director of the Company for a term of five years w.e.f. 30.06.2018, Mr. Vijay Rathi (DIN: 01474776) and Mr. Udesb Dassani (DIN: 00511709) have been reappointed as independent directors of the Company for second term of five years commencing from 01st April, 2019.

The Board re-appointed Mr. Yogender Mohan Sharma as Whole-time Director for a period of 3 years w.e.f. 15.07.2019 subject to approval of member in general meeting. The Board proposes to re-appoint him in this annual general meeting.

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

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 BSE Limited (BSE). The listing fee for the year 2019-20 has already been paid to the Stock Exchange.



SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on 31.03.2019, the Company does not have any subsidiary company or joint venture or associate company.

NUMBER OF MEETINGS OF THE BOARD

The Board met 09 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

A statement showing the disclosure of transaction with related parties as required under Ind AS 24 is set out separately in this Annual report.

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.

During the year under review, none of the employee of the company is drawing more than Rs.1,02,00,000/- per annum or Rs. 8,50,000/- per month for the part of the year. 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 2019-20. The Cost Audit Report for the year 2017-18 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., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year 2018-19 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 'Mayank Chandak & Associates' (Firm Registration Number: 016689C), 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, 2019.

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.



SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has not failed to implement any Corporate Actions within the specified time limit.

CREDIT RATING

Credit rating obtained along with revisions thereto for bank facilities of the Company during FY 2018-19 as under:

S. No.	Rating Agency	Facilities	Credit Rating
1.	CARE Ratings Ltd.	Long term Bank Facilities	CARE BB+ (Double B Plus); Stable
2.	CARE Ratings Ltd.	Short term Bank Facilities	CARE A4+ (A Four Plus)

There has been no revision in credit ratings during the financial year 2018-19.

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. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on sexual harassment. There was no complaint received from any employee during the financial year 2018-19 and hence no complaint is outstanding as on 31.03.2019 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

DEEPIKAARORA

Director
DIN: 07117491

Place: Indore

Dated: 14th August, 2019



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, 2019 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 2018-19.

(iii) The capital investment on energy conservation equipments:

No Capital investment on energy conservation equipments during the year 2018-19.

(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 2018-19.

(C) Foreign exchange earnings and Outgo

During the year under review, the foreign exchange outgo was Rs. 2,971.17 Lacs (Previous Year Rs. 140.69 Lacs) and the foreign exchange earning was Rs. 55.14 Lacs (Previous year Rs. 23.08 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:

Executive Director	Ratio of median remuneration
Mr. Yogender Mohan Sharma	5.04
Non-Executive Director	
Mr. Udesb Dassani	0.05
Mr. Vijay Rathi	0.07
Ms. Deepika Arora	0.03
Mr. Nimishek Ved	0.04

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

Name of Directors, CFO and Company Secretary	% increase in the remuneration in the financial year 2018-19
Mr. Yogender Mohan Sharma (Whole-time Director)	6.45%
Mr. Udesb Dassani (Non-Executive Independent Director)	Nil
Mr. Vijay Rathi (Non-Executive Independent Director)	Nil
Ms. Deepika Arora (Non-Executive Director)	Nil
Mr. Nimishek Ved (Non-Executive Director)	Nil
Mr. Kailash Kumar Agrawal (Chief Financial Officer)	14.23%
Mr. Amit Jain (Company Secretary)	9.64%

(iii) The percentage increase in the median remuneration of employees in the financial year: 20.19%

(iv) The number of permanent employees on the rolls of Company: 47

(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. 2018-19 was 33.37% whereas the percentile increase in the managerial remuneration for the same financial year 2018-19 was 10.56%. 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 "Sarthak Industries Limited".

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

"Directors" means Directors of the Company.

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

"Key Managerial Personnel" means:

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

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

"Policy" or "This policy" means Nomination and Remuneration Policy.

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

NOMINATION AND REMUNERATION COMMITTEE

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

ROLE OF THE COMMITTEE

The role of the Committee is as under:

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

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

I. Appointment criteria and qualifications

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



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

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

II. Removal

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

III. Retirement

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

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

I. Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

II. Remuneration to Non-Executive and Independent Directors

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

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

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

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

III. Remuneration to other employees

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

REVIEW AND AMENDMENT

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

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



ANNEXURE 'D' TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[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, 2018 to 31st March, 2019, 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, 2019 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (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 as applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);

(vi) Other Laws applicable to the Company as per the representations made by the management.

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

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

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

We further report that

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

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



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

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

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

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

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

Place: Indore
Date: 14th August, 2019

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, 2019

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 31.03.2019

[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, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai, Maharashtra - 400009 Phone No.:- 022-23486740
vi)	Whether listed company (Yes/ No)	Yes
vii)	Name, address and contact details of Registrar & Transfer Agent, if any	Sarthak Global Limited, 170/10, Film Colony, R.N.T. Marg, Indore – 452 001 (MP); Phone No. – 0731-4279626

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing of LPG Cylinders	2512	27.19%
2	Wholesale of Agricultural raw materials	4620	45.11%
3	Wholesale of Edible Oils	4630	26.31%

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-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% 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	14,86,600	-	14,86,600	21.33	1.13
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	11,26,930	-	11,26,930	16.17	10,46,930	-	10,46,930	15.02	(1.14)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	25,34,530	-	25,34,530	36.37	25,33,530	-	25,33,530	36.36	(0.01)
(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	25,33,530	-	25,33,530	36.36	(0.01)
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) FIs	-	-	-	-	-	-	-	-	-
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	44,226	2,92,095	3,36,321	4.83	48,426	2,89,495	3,37,921	4.85	0.02
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	-	1	0.00	(0.02)
iii) Non-Resident Indian	35	-	35	0.00	535	-	535	0.01	0.01
Sub-total (B)(2):-	31,84,685	12,49,635	44,34,320	63.63	31,88,285	12,47,035	44,35,320	63.64	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	31,84,685	12,49,635	44,34,320	63.63	31,88,285	12,47,035	44,35,320	63.64	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	57,18,115	12,50,735	69,68,850	100	57,21,815	12,47,035	69,68,850	100	-



ii) Shareholding of Promoter-

SI No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Share holding at the end of the year (As on 31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish Shahra	9,10,000	13.06	-	9,89,500	14.20	-	1.14
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 Sachdev	100	0.00	-	100	0.00	-	-
7	Abha Devi Shahra	3,500	0.05	-	3,500	0.05	-	-
8	Bhavna Goel	500	0.01	-	0	0	-	(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	Maha Kosh Papers Pvt. Ltd.	3,75,000	5.38	-	3,75,000	5.38	-	-
20	Maha Kosh Amusement Pvt. Ltd.	80,000	1.14	-	0	0	-	(1.14)
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	-	25,33,530	36.36	-	(0.01)

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

SI 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):				
	09.11.2018- Decrease by transfer	(500)	(0.01)	25,34,030	36.36
	14.12.2018- Decrease by transfer	(80,000)	(1.14)	24,54,030	35.22
	21.12.2018- Increase by transfer	79,500	1.14	25,33,530	36.36
	At the end of the year	25,33,530	36.36	25,33,530	36.36



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 01.04.2018)	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 31.03.2019)	13,85,200	19.88	13,85,200	19.88
2.	GIRISH KUMAR PUSHKARLAL AGARWAL				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	5,11,200	7.34	5,11,200	7.34
3.	ANTARICA RESOURCES LIMITED				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	4,66,540	6.69	4,66,540	6.69
4.	PROMISE SECURITIES PVT. LIMITED				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	4,00,000	5.74	4,00,000	5.74
5.	SELWEL WORLDWIDE TRADE PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	2,58,350	3.71	2,58,350	3.71
6.	NEXGEN MINERALS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	2,41,650	3.47	2,41,650	3.47
7.	SHIELD TRADELINKS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	2,28,500	3.28	2,28,500	3.28
8.	GAGANDEEP EXPORT PVT. LTD.				
	At the beginning of the year (As on 01.04.2018)	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			

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
	At the end of the year (As on 31.03.2019)	1,50,000	2.15	1,50,000	2.15
9.	REHVA ESTATE PVT. LTD.				
	At the beginning of the year (As on 01.04.2018)	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 31.03.2019)	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 01.04.2018)	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 31.03.2019)	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 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-
2.	Mr. Udesh Dassani				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-
3.	Mr. Vijay Rathi				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-
4.	Mr. Nimishek Ved				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-



5.	Ms. Deepika Arora				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-
6.	Mr. Kailash Kumar Agarwal (CFO)				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-
7.	Mr. Amit Jain (Company Secretary)				
	At the beginning of the year (As on 01.04.2018)	-	-	-	-
	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 31.03.2019)	-	-	-	-

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	203.63	966.10	-	1169.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	203.63	966.10	-	1169.73
Change in Indebtedness during the financial year				
* Addition	20.27	-	-	20.27
* Reduction	206.14	698.26	-	(904.40)
Net Change	(185.87)	(698.26)	-	(884.13)
Indebtedness at the end of the financial year				
i) Principal Amount	17.76	267.84	-	285.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17.76	267.84	-	285.60



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	10.15	10.15
	(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)	10.15	10.15
	Ceiling as per the Act		14.15

B. Remuneration to other directors

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Udesb Dassani	Mr. Vijay Rathi	Ms. Deepika Arora	Mr. Nimishek Ved	
1	Independent Directors					
	Fee for attending board committee meetings	0.10	0.15	-	0.08	0.33
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	0.06	-	0.06
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.10	0.15	0.06	0.08	0.39
	Total Managerial Remuneration (Total of A and B)*					10.54
	Overall Ceiling as per the Act**					14.15

* 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	15.42	12.50	27.92
	(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	15.42	12.50	27.92

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMAWhole-time Director
DIN: 03644480**DEEPIKA ARORA**Director
DIN: 07117491

Place: Indore

Dated: 14th August, 2019

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 2018-19, the Company's performance showing decreasing trend in turnover and profitability as compared to last year. But looking at global economic slowdown and other factors, the performance of Company is satisfactory. The Management is hopeful that Company's future is bright in the coming years.

Opportunities and Threats

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

The future performance of your Company would depend to a large extent on its ability to successful diversification, market of commodities. We are hopeful that through the combination of market developments and expansion activity, there will be healthy growth over the next few years.

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 2018-19 was an eventful year after adoption of Goods and Service Tax (GST). It continues to be a challenging year for the global economy as well as Indian economy. 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.

Financial Performance

The performance of the Company for the financial year 2018-19 is summarized below:

		Rs. in Lacs	
	Balance Sheet	As at March 31, 2019	As at March 31, 2018
a.	Property, Plant and Equipment	880.93	1,504.07
b.	Capital Work-in-progress	504.34	154.69
c.	Intangible assets	1.40	0.49
d.	Financial assets	494.76	502.17
e.	Deferred tax assets (net)	31.48	5.15
f.	Other Non-current assets	50.00	109.94
g.	Current assets	4,572.16	3,816.34
h.	Non current assets held for sale	1,457.32	1,397.00
i.	Total Equity	3,252.30	3,213.96
j.	Non-current liabilities	17.00	1,155.91
k.	Current liabilities	3,686.97	3,119.98
l.	Liabilities directly associated with assets classified as held for sale	1,036.13	0.00



Summarized Profit and Loss Account

(Rs. In Lacs)

Particulars	2018-19	2017-18
Revenue from operations	11,195.67	12,109.59
Other Income	144.56	376.37
Profit/ (Loss) before Depreciation, Finance Cost, Exceptional items & Tax Expenses	350.24	454.41
Less: Depreciation	71.32	65.10
Profit/ (Loss) before Finance Cost, Exceptional Items and Tax Expenses	278.92	389.31
Less: Finance Cost	160.42	173.79
Profit/ (Loss) before Exceptional Items and Tax Expenses	118.50	215.52
Add/ (Less): Exceptional items	--	--
Profit/ (Loss) before Tax Expenses	118.50	215.52
Less: Tax Expenses	73.60	39.93
Profit/ (Loss) after Taxation	44.90	175.59
Add: Other Comprehensive Income	(6.56)	(5.34)
Total Comprehensive Income	38.34	170.25
Balance brought forward from previous year	2517.07	2346.82
Amount available for appropriation	2555.41	2517.07
APPROPRIATION	--	--
Amount Carried to Balance sheet	2555.41	2517.07
Paid Up Equity Share Capital	696.89	696.89
Earnings Per share (Rs. 10/- each) Basic & Diluted (in Rs.)	0.64	2.52

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.

The number of permanent employees on the rolls of Company as on 31.03.2019 is 47.

KEY FINANCIAL RATIOS ANALYSIS

Details of key financial ratios are as follows:

S. No.	Particulars	FY 2019	FY 2018	Remarks
1	Debtors Turnover	6.35	10.33	Debtors turnover ratio decreased due to increase in average trade receivables
2	Inventory Turnover	19.61	32.91	Inventory turnover ratio also decreased due to increase in inventory
3	Interest Coverage Ratio	3.30	4.38	Ratio declined during the year due to lower profitability.
4	Current Ratio	1.24	1.22	Current ratio slightly improved during the year due to improve in liquidity.
5	Debt Equity Ratio	0.00	0.25	Improved during the year due to repayment of long term debts.
6	Operation Profit Margin (%)	2.49%	3.21%	Declined due to lower profitability in overall business segments
7	Net Profit Margin (%)	0.40%	1.45%	Declined due to lower profitability in overall business segments
8	Return on Net Worth	1.38%	5.46%	Declined due to lower profitability in overall business segments

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 60% of the total number of Directors. The number of non-executive Directors is 80% 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, No. of Directorship/ Committee Positions held in other Public Limited Companies, No. of shares held and Directorship in other listed entities along with Category as on 31.03.2019 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 31.03.19	Directorship in other listed entities (Category of Directorship)
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*		
Mr. Yogender Mohan Sharma	Whole-time Director	07	Yes	01	01	01	Nil	SARTHAK GLOBAL LIMITED (Independent Director)
Mr. Vijay Rathi	Independent Director	09	Yes	01	02	--	Nil	ANIK INDUSTRIES LIMITED (Independent Director)
Mr. Udesh Dassani	Independent Director	05	No	02	02	--	Nil	Nil
Ms. Deepika Arora	Non-Executive Director	06	No	--	--	--	Nil	Nil
Mr. Nimishesh Ved	Independent Director	06	No	--	--	--	Nil.	Nil

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

Relationship between directors interse

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

Familiarisation Programmes

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>.

Skills/expertise/Competence of the Board of Directors

The Board of Directors has identified the following skills/competencies for its effective functioning:

- Leadership and Management Strategy
- Sales, Marketing and International Business
- Corporate Governance and Disclosure
- Financial Literacy
- Social and Environmental Accountability

Confirmation for Independent Directors

The Board of the Company confirms that all Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

B) BOARD PROCEDURE

During the financial year 2018-19, the Board of Directors met 9 times on the following dates: 30th May 2018, 6th July 2018, 14th August 2018, 26th September 2018, 14th November 2018, 10th December 2018, 14th February 2019, 26th March 2019 and 30th March 2019. 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 31.03.2019 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) Mr. Vijay Rathi, Chairman of the Audit Committee was present in previous Annual General Meeting held on 24th September, 2018 to answer member's queries.
- d) Dates of the Audit Committee meetings and attendance:
The Committee met 5 (Five) times during the year on the following dates:
30th May 2018; 14th August 2018; 26th September 2018; 14th November 2018 and 14th February 2019.
Mr. Vijay Rathi Mr. Yogender Mohan Sharma and Mr. Udeshe Dassani have attended all the 5 (Five) meetings.

B) NOMINATION AND REMUNERATION COMMITTEE

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

a) Members of Committee:

The Composition of Nomination and Remuneration Committee as on 31.03.2019 is as under:

Mr. Vijay Rathi	:	Chairman
Mr. Udeshe Dassani	:	Member
Mr. Nimishk 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:

29th June 2018, 14th August 2018 and 26th March 2019.

Mr. Vijay Rathi and Mr. Udeshe Dassani have attended all the 3 (Three) meetings. Mr. Nimishk Ved have attended 2 (Two) meetings.

- d) The details relating to remuneration of Directors, as required under the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, have been given under a separate heading, viz. 'DETAILS OF REMUNERATION TO DIRECTORS' in this report.
- e) The Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and others matters is attached as "**Annexure 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 31.03.2019 is as under:

Mr. Udeshe 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 2018-2019, the committee held 4 (Four) meetings on following dates:

05th June 2018; 18th August 2018; 16th November 2018 and 16th February 2019.

Mr. Udeshe Dassani have attended 2 (Two) meetings. Mr. Yogender Mohan Sharma and Mr. Vijay Rathi have attended all the 4 (Four) meetings.



- d) No investor complaints were received during the financial year 2018-19. All valid share transfers received during the year 2018-19 have been acted upon by the Company and as on 31st March, 2019 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 31.03.2019 is as under:

Mr. Yogender Mohan Sharma	:	Chairman
Mr. Kailash Kumar Agarwal	:	Member
Mr. Nimishek Ved	:	Member

- b) The Committee met two times during the year on 14th September, 2018 and 26th March, 2019.

Mr. Yogender Mohan Sharma, Mr. Kailash Kumar Agarwal and Mr. Nimishek Ved have attended all the 2 (Two) meetings.

DETAILS OF REMUNERATION TO DIRECTORS

A. REMUNERATION TO EXECUTIVE DIRECTORS

The particulars of remuneration of executive director during the financial year 2018-19 are as under:

(Rs. in Lacs)

Name	Designation	Salary	Perquisites	Total
Mr. Yogender Mohan Sharma	Whole-time Director	10.15	-	10.15

As on 31st March, 2019, 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 2018-19.

The sitting fees paid to all Non-Executive Directors for attending meetings of the Board and/or Committee thereof for the year ended 31.03.2019 is as follows:- Mr. Vijay Rathi – Rs. 0.15 Lacs, Mr. Udesh Dassani – Rs. 0.10 Lacs, Mr. Nimishek Ved Rs. 0.08 Lacs and Ms. Deepika Arora – Rs. 0.06 Lacs.

Service Contracts, Severance Fees and Notice Period

Mr. Yogender Mohan Sharma, who was appointed as whole-time director of the Company for a period of 5 years w.e.f. 15th July, 2014, has been re-appointed as whole-time director of the company subject to approval of the members in the ensuing Annual general Meeting of the Company for a further period of 3 years w.e.f. 15th July, 2019 by Board of Directors.

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
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.
2017-18	Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009	24/09/2018	01.00 pm	Special Resolution passed for re-appointment of Mr. Vijay Rathi and Mr. Udesb Dassani as Independent Directors of the Company.

Extra-ordinary General Meeting

During the financial year 2018-19, no Extra Ordinary General Meeting of the Company was held.

Postal Ballot

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot.

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.

GENERAL SHAREHOLDERS INFORMATION

Date, Time & Venue of the Annual General Meeting

27th September, 2019 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, 2018 – 31st March, 2019

Dividend Payment Date

No Dividend was recommended by the Board of the Directors for financial 2018-19

Financial Calendar

Financial Reporting (tentative) for Quarter ending

June 30, 2019	-	August, 2019
September 30, 2019	-	November, 2019
December 31, 2019	-	February, 2020
March 31, 2020	-	May, 2020

Date of book closure

20th September, 2019 to 27th September, 2019 (Both days inclusive)

Listing on Stock Exchanges

The BSE Ltd. (BSE)
25th Floor, P.J. Towers, Dalal Street, Mumbai - 400001

Listing fees

Paid to the BSE Limited (BSE) for the financial year 2018-19.

Company's Code / Symbol / Series on Stock Exchange

The BSE Ltd.: (Stock Code: 531930)

Electronic connectivity

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

ISIN No. at NSDL / CDSL

INE 074 H01012

Market Price Data

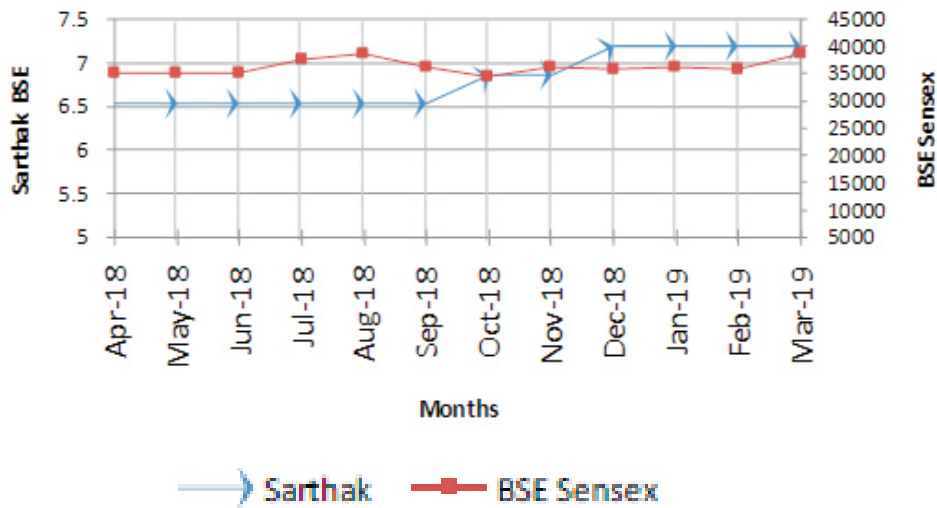
The monthly high & low share prices of the Company traded at the Bombay Stock Exchange from 1st April, 2018 to 31st March, 2019 are given below



Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-18	6.55	6.55
May-18	---	---
June-18	---	---
July-18	---	---
August-18	---	---
September-18	---	---
October-18	6.87	6.87
November-18	---	---
December-18	7.21	7.21
January-19	---	---
February-19	---	---
March-19	---	---

Share Price Performance in comparison to BSE Sensex as on March 31, 2019

Sarthak Share Price vs BSE Sensex



Suspension of Securities

Nil

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



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.

Distribution of Equity Shareholding and its pattern as on 31st March, 2019

Distribution of Equity Shareholding 31.03.2019			
Share Class		No. of Equity Shares	
No. of Shares	No. of Holders	No. of shares held	Share-holding %
Up to 500	437	166222	2.39
501-1000	152	125691	1.80
1001-2000	13	19233	0.28
2001-3000	10	25249	0.36
3001-4000	2	6650	0.10
4001-5000	3	13250	0.19
5001-10000	1	9000	0.13
10001 and above	29	6603555	94.75
Total	647	69,68,850	100.00

Shareholding Pattern		
Category	No. of Shares	Shareholding %
Promoters	25,33,530	36.36
Domestic Corporate Bodies	30,77,038	44.15
Indian Public	8,91,207	12.79
NRIs/OCBs/FIIs	4,67,075	6.70
Total	69,68,850	100.00

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, 2019 out of 69,68,850 equity shares of Rs. 10/- each, 57,21,815 equity shares which is 82.10% of total equity are now held in electronic form.

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.

Commodity price risks or Foreign Exchange risk and hedging activities:

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

Plant Location

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

Address for Correspondence

Sarthak 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

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listing entity involving mobilization of funds, whether in India or abroad

Credit rating obtained along with revisions thereto for bank facilities of the Company during FY 2018-19 as under:

S. No.	Rating Agency	Facilities	Credit Rating
1.	CARE Ratings Ltd.	Long term Bank Facilities	CARE BB+ (Double B Plus); Stable
2.	CARE Ratings Ltd.	Short term Bank Facilities	CARE A4+ (A Four Plus)

There has been no revision in credit ratings during the financial year 2018-19.



OTHER DISCLOSURES

- a. The Company did not have any related party transactions, which may have potential conflict with its interest at large.
- b. 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.
- c. 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.
- d. The Company has complied with the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. **Web link where policy for determining 'material' subsidiaries is disclosed:**
<http://www.sarthakindustries.com/images/Policy%20for%20determining%20Material%20Subsidiary.pdf>
- f. **Web link where policy on dealing with related party transactions is disclosed:**
http://www.sarthakindustries.com/images/Related_Party_Policy.pdf
- g. **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.
- h. **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**
Not Applicable
- i. **A certificate from practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities**
Attached as 'Annexure I'
- j. **Details of Fees paid to Statutory Auditors - SMAK & Co., Chartered Accountants**
Statutory Audit Fees – Rs. 1.50 Lacs
Tax Audit Fees – Rs. 0.50 Lacs
Other Services – Rs. 0.61 Lacs
- k. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
No. of Complaints filed during the financial year – NIL
No. of Complaints disposed of during the financial year – NIL
No. of Complaints pending as on end of the financial year – NIL

COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance.

CEO/CFO CERTIFICATE

In terms of regulation 17(8) of the Listing Regulations, the Managing Director & CEO and the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committees and taken on record by the Board. The same is attached as 'Annexure II'.

CEO CERTIFICATION

The Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct of Board of Directors and Senior Management attached as **Annexure III**.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from M/s. Ajit Jain & Co., Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations attached as 'Annexure IV.'

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Not Applicable

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.



Annexure I

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[pursuant to clause 10 (i) of the Part C of Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sarthak Industries Limited** having CIN L99999MH1982PLC136834 and having registered office at ROOM NO. 4, ANNA BHUVAN, 3RD FLOOR, 87C DEVJI RATANSI MARG, DANA BUNDER, MUMBAI MH 400009 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Designation
1.	YOGENDER MOHAN SHARMA	03644480	Whole-time Director
2.	UDESH DASSANI	00511709	Independent Director
3.	VIJAY KUMAR RATHI	01474776	Independent Director
4.	NIMISHEK VED	07362817	Independent Director
5.	DEEPIKA ARORA	07117491	Non-Executive Director

Place: Indore
Date: 14th August, 2019

For Ajit Jain & Company
(Company Secretary)

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

Annexure II

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, 2019, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 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, 2019, 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, 2019

KAILASH KUMAR AGARWAL
CFO



Annexure III

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, 2019.

Place: Indore
Dated: 14th August, 2019

For Sarthak Industries Limited
YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480

Annexure IV

Certificate on Corporate Governance

To
The Members of
SARTHAK INDUSTRIES LIMITED

We have examined the compliances of conditions of corporate governance by Sarthak Industries Limited ('the Company') for the year ended March 31, 2019 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").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 14th August, 2019

For Ajit Jain & Company
(Company Secretary)

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



Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of **Sarthak Industries Limited** (“the Company”), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), *statement of changes in equity* and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)

The application of the new revenue accounting standard involves some key points which includes Identification of contract with customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Auditor’s Response

Principal Audit Procedures

We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Sample selected from continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

We have performed the following procedures: • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. •

Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - 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.

With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

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

CA ShridharMandhanya
Partner
M. No. 421425

Date: 30.05.2019
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 financial statements for the year ended 31st March, 2019.

- 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.
- 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, goods and service tax, duty of customs, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2019 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. In lacs #	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	1.22	2009-10	MP Commercial Tax Appellate Board
Bombay Sales Tax Act, 1959	Sales Tax	8.39	1998-99	High Court, Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	77.35	2001-02 2002-03	Maharashtra Sales Tax Tribunal, Mumbai.
Income Tax Act, 1961	Income Tax	63.15	FY 2010-11 & 2013-14	CIT (Appeal)



Net of amount deposited

- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to a financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which it was raised.
- 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 ShridharMandhanya
Partner
M. No. 421425

Date: 30.05.2019
Place: Indore



**Annexure B To the Independent Auditor's Report of even date on the 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, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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, 2019, 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 ShridharMandhanya
Partner
M. No. 421425

Date: 30.05.2019
Place: Indore



SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount ₹ in lacs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	1	880.93	1504.07
(b) Capital work-in-progress	2	504.35	154.69
(c) Intangible Assets	3	1.40	0.49
(d) Financial Assets			
(i) Investments	4	279.94	285.82
(ii) Loans	5	201.20	201.17
(iii) Other financial assets	6	13.62	15.18
(e) Deferred tax assets (net)	7	31.48	5.15
(f) Other non-current assets	8	50.00	109.94
Total Non-Current Assets		1962.92	2276.51
(2) Current Assets			
(a) Inventories	9	817.84	323.94
(b) Financial Assets			
(i) Trade receivables	10	2081.90	1445.04
(ii) Cash and cash equivalents	11	121.51	356.34
(iii) Bank balances other than (ii) above	12	227.46	147.31
(iv) Loans	13	722.35	638.22
(v) Other financial assets	14	417.85	470.91
(c) Other current assets	15	183.25	434.58
Total Current Assets		4572.16	3816.34
(3) Non Current Assets held for sale	16	1457.32	1397.00
TOTAL ASSETS		7992.40	7489.85
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	696.89	696.89
(b) Other equity	18	2555.41	2517.07
Total Equity		3252.30	3213.96
(2) Liabilities			
(2.1) Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	19	11.37	1152.75
(b) Provisions	20	5.63	3.16
Total Non-Current Liabilities		17.00	1155.91
(2.2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	267.84	397.84
(ii) Trade payables	22	2431.28	1742.84
(iii) Other financial liabilities	23	356.46	384.92
(b) Other current liabilities	24	620.92	592.75
(c) Provisions	25	2.16	1.63
(d) Current Tax Liabilities	26	8.31	0.00
Total Current Liabilities		3686.97	3119.98
(2.3) Liabilities directly associated with assets classified as held for sale	27	1036.13	0.00
TOTAL EQUITY AND LIABILITIES		7992.40	7489.85

Notes forming an integral part of the financial statements 1 to 51

General corporate information and Significant Accounting Policies

A-B

As per our report of even date

For SMAK & Co.

Chartered Accountants

(FRN 020120C)

CA Shridhar Mandhanya

Partner

M. No. : 421425

Place : Indore

Dated : 30th May, 2019

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimish Ved
Director
DIN: 07362817

CS Amit Jain
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer



SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount ₹ in lacs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018
I. INCOME			
a. Revenue from operations	28	11195.67	12109.59
b. Other income	29	144.56	376.37
Total Income		11340.23	12485.96
II. EXPENSES			
a. Cost of materials consumed	30	2200.20	1558.26
b. Purchases of stock-in-trade	31	8403.66	9923.16
c. Changes in inventories of finished goods, work in progress and stock-in-trade"	32	(390.83)	25.85
d. Excise Duty		0.00	66.27
e. Employee benefits expense	33	278.33	212.14
f. Finance costs	34	160.42	173.79
g. Depreciation and amortisation expense	1 & 3	71.32	65.10
h. Other expenses	35	498.63	245.87
Total Expenses		11221.73	12270.44
III. Profit before exceptional items and tax (I-II)		118.50	215.52
IV. Exceptional Items		0.00	0.00
V. Profit before tax (III - IV)		118.50	215.52
VI. Tax expense:	48		
a. Current tax		86.82	44.75
b. Deferred tax		(6.62)	0.47
c. Income tax for earlier year		(6.60)	(5.29)
		73.60	39.93
VII. Profit for the year (V - VI)		44.90	175.59
VIII. Other comprehensive income			
A. (i) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plan		(2.20)	1.53
-Tax impact thereon		0.61	(0.47)
-Gain/(Loss) on change in fair value of equity instruments		(5.89)	(9.76)
-Tax impact thereon		0.92	3.36
B. (i) Items that will be reclassified to Profit or Loss		0.00	0.00
Total other comprehensive income		(6.56)	(5.34)
IX. Total Comprehensive Income (VII+VIII)		38.34	170.25
X. Earning per equity share: (Face value of Rs 10/- each)	40		
(1) Basic (in Rs.)		0.64	2.52
(2) Diluted (in Rs.)		0.64	2.52

Notes forming part of the financial statements 1 to 51

General corporate information and significant accounting policies A-B

As per our report of even date

For SMAK & Co.
Chartered Accountants
(FRN 020120C)

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishek Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner

M. No. : 421425

Place : Indore

Dated : 30th May, 2019

CS Amit Jain
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer



SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
A Cash flow from Operating activities		
a. Net Profit/ (Loss) before Tax & Exceptional item	118.50	215.50
Adjustment for :		
Depreciation	71.32	65.10
Finance costs	160.42	173.79
Interest Received	(96.76)	(159.82)
Loss / (Profit) on sale of property, plant and equipment	50.39	(5.32)
Loss on sale of Investments	0.00	4.47
Provision for doubtful debts written back	7.80	(7.53)
Ind AS Impact of Remeasurment Directly considered in OCI	(2.20)	1.53
Unrealised (gain)/loss on foreign currency exchange rate	(29.29)	1.56
b. Operating profit/(loss) before working capital changes	280.18	289.28
Adjustment for :		
Trade and Other receivables	(420.84)	767.30
Inventories	(493.90)	88.01
Trade and other payables	1765.50	(1208.26)
c. Cash generated from Operations	1130.94	(63.67)
Direct Taxes (paid)/Refund	(55.73)	(22.82)
Net Cash Flow from Operating activities	1075.21	(86.49)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(543.03)	(138.37)
Sale of Tangible property, plant and equipment	659.33	32.50
Sale of Investments	0.00	47.40
Interest Received	94.28	156.70
Change in Bank balances not considered as cash and cash Equivalent	(78.24)	15.30
Net Cash Flow from Investing activities	132.34	113.53
C. Cash flow from Financing activities		
Proceeds from Borrowings	20.27	442.69
Repayment of Borrowings	(1302.24)	(15.13)
Finance costs	(160.42)	(189.52)
Net Cash flow from Financing activities	(1442.39)	238.04
D. Net Increase / (Decrease)in Cash and Cash Equivalent	(234.84)	265.08
Cash and Cash Equivalent at the beginning of the year	356.35	91.27
Cash and Cash Equivalent at the end of the year	121.51	356.35
Cash and Cash Equivalent comprises of		
i. Balances with Banks		
in Current Accounts	6.96	225.02
in Deposit Accounts	105.00	128.90
ii. Cash on hand	9.55	2.43
	121.51	356.35

As per our report of even date

For SMAK & Co.

Chartered Accountants

(FRN 020120C)

CA Shridhar Mandhanya

Partner

M. No. : 421425

Place : Indore

Dated : 30th May, 2019

For and on behalf of Board of Directors

Yogender Mohan Sharma

Whole Time Director

DIN: 03644480

CS Amit Jain

Company Secretary

Nimishk Ved

Director

DIN: 07362817

CA Kailash K Agarwal

Chief Financial Officer

SARTHAK INDUSTRIES LIMITED
CIN: L9999MH1982PLC136834
Statement of Changes in Equity (SOCIE)

(Amount ₹ in lacs)

	March 31, 2019		March 31, 2018	
	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
Changes in equity share capital during the year				
- Shares issued during the year	0	0	0	0
Balance at the end of the reporting period	6968850	696.89	6968850	696.89

(Amount ₹ in lacs)

Particulars	Reserve & Surplus				Items of Other Comprehensive Income		Total
	General Reserve through OCI	Capital Reserve	Securities Premium	Retained Earning	Equity Instruments		
Balances as at 1 st April, 2017	16.49	45.36	2676.24	(470.65)	79.38		2346.82
Profit for the year				175.59	0.00		175.59
Other comprehensive income (net of tax)				1.07	(6.41)		(5.34)
Balances as at 31st March 2018	16.49	45.36	2676.24	(293.99)	72.97		2517.07
Profit for the year				44.90	0.00		44.90
Other comprehensive income (net of tax)				(1.59)	(4.97)		(6.56)
Balances as at 31st March 2019	16.49	45.36	2676.24	(250.68)	68.00		2555.41

Notes forming an integral part of the financial statements

1 to 51

For and on behalf of the Board of Directors

As per our report of even date
For SMAK & Co.
Chartered Accountants
(FRN 020120C)

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, 2019

CS Amit Jain
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer





NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

A. General Information

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

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 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.

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.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on amount recognized in the financial statements are:

- i. Allowance for bad and doubtful trade receivable.
- ii. Recognition and measurement of provision and contingencies.
- iii. Depreciation/Amortisation and useful lives of Property, plant and equipment / Intangible Assets.
- iv. Recognition of deferred tax.
- v. Income Taxes.
- vi. Measurement of defined benefit obligation.
- vii. Impairment of Non-financial assets and financial assets.

iv. Revenue

Recognition

The company recognised revenue i.e. account for a contract with a customer only when all of the following criteria are met:

- (a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- (b) the entity can identify each party's rights regarding the goods or services to be transferred;
- (c) the entity can identify the payment terms for the goods or services to be transferred;
- (d) the contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

Measurement

When (or as) a performance obligation is satisfied, company recognise as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

The transaction price is the amount that the entity expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised may include fixed amounts, variable amounts, or both.

a. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Due to the short nature of credit period given to customers, there is no financing component in the contract.

b. Sale of Services

Revenue from services rendered is recognised as the services are rendered and is booked based on agreements/arrangements with the concerned parties.

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). Freehold land is measured at costs.

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, initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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.

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 using Written down value method (WDV) on depreciable amount 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 therein are considered as changes in estimate and accordingly accounted for prospectively.

d. Capital Work In progress

Assets under erection/installation are shown as "Capital work in progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.

vii. Intangible Assets

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Recognition and measurement

Computer softwares have finite useful life and are measured at cost less accumulated amortisation and any accumulated impairment losses.

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 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.

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 3years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, 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 five years of service with company at the time when the employee leaves the company as per the payment of gratuity act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in a subsequent period.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs; and
- Net interest expense or income

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 other comprehensive income or a business combination, or items recognised directly in equity.

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.

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 include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) 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 recorded at the exchange rates prevailing on the date of the transaction.

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 recognised in statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets..

Non-monetary items that are measured based on historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. 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. All other borrowing costs are charged to the statement of profit and loss 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 are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft 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

a. 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.

b. 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but its existence is disclosed in the financial statements

xvi. Segment Accounting

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.

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.

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. 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.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in statement of profit and 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been in place had there been no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss, taking into account the normal depreciation/amortization.

xix. 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.

a. Financial assets

Classification

The Company classifies financial assets in the following measurement categories :

- i. Those measured at amortised cost and
- ii. Those measured subsequently at 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.

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:

- a. The rights to receive cash flows from the asset have expired, or
- b. 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.
- c. 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.
- d. 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.

b. 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 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 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 financial liabilities are offset and the net amount is presented in the balance sheet when, and 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 the asset 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.

xx. Mandatory exceptions applied – Standard Issued but not yet effective

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

SARTHAK INDUSTRIES LIMITED

Notes forming an integral part to Financial Statements for the year ended on 31st March, 2019
Note 1 : PROPERTY, PLANT AND EQUIPMENT

Cost or deemed cost	(Amount ₹ in lacs)							Total	
	Land- Freehold	Land - Lease hold	Buildings	Building given on lease	Plant & Equipment	Furniture & Fixtures	Office Equipments		Vehicles
As at 01st April, 2017	1398.74	579.66	475.28	362.32	93.35	0.78	1.48	22.25	2933.86
Additions	0.00	0.89	61.99	0.00	48.49	0.00	2.47	0.00	113.84
Disposals/Adjustments	1397.00	0.00	28.06	0.00	0.00	0.00	0.00	0.00	1425.06
As at 31st March, 2018	1.74	580.55	509.21	362.32	141.84	0.78	3.95	22.25	1622.64
Additions	0.00	67.87	0.00	0.00	23.95	0.00	4.15	24.23	120.20
Disposals/Adjustments *	0.00	0.00	407.67	362.32	1.25	0.00	0.00	0.27	771.51
As at 31st March, 2019	1.74	648.42	101.54	0.00	164.54	0.78	8.10	46.21	971.33
Accumulated Depreciation and Impairment									
Depreciation as at 1 st April 2017	0.00	0.10	17.51	17.28	12.45	0.21	0.40	6.41	54.36
Depreciation for the year	0.00	0.10	23.59	16.89	19.01	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 31st March, 2018	0.00	0.20	40.22	34.17	31.46	0.35	1.00	11.17	118.57
Depreciation for the year	0.00	0.10	24.57	16.06	20.80	0.10	3.09	6.00	70.72
Disposals/Adjustments	0.00	0.00	48.06	50.23	0.60	0.00	0.00	0.00	98.89
As at 31st March, 2019	0.00	0.30	16.73	0.00	51.66	0.45	4.09	17.17	90.40
Net Carrying Value									
As at 31 st March, 2018	1.74	580.35	468.99	328.15	110.38	0.43	2.95	11.08	1504.07
As at 31 st March, 2019	1.74	648.12	84.81	0.00	112.88	0.33	4.01	29.04	880.93

Note : (i). During the year company sold Flat purchased by the company for Rs. 407.67 lacs during the F.Y. 2016-17.

* (ii). During the year building given on lease of Rs. 362.32 lacs and related plant & equipment of Rs. 1.25 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)		Total
	Building	Plant & Machinery	
As at 31 st March, 2018	154.69	0	154.69
As at 31 st March, 2019	504.35	0	504.35

Note : Capital work-in-progress represents building under construction of Rs. 354.97 lacs (Previous year 5.31 lacs), plant and machinery Nil (Previous Year Rs. Nil) and preoperative expenses incurred for mining project of Rs. 149.38 lacs (Previous Year Rs. 149.38 lacs), yet to be capitalised.

**SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**Note 3 : OTHER INTANGIBLE ASSETS****(Amount ₹ in lacs)**

Cost or deemed cost	Computer Software
As at 01st April, 2017	0
Additions	0.5
Disposals	0
As at 31st March, 2018	0.5
Additions	1.51
Disposals	0
As at 31st March, 2019	2.01
Accumulated Amortisation and Impairment	
Amortisation and Impairment as at 1 st April, 2017	0
Amortisation for the year 2017-18	0.01
Disposals	0
As at 31st March, 2018	0.01
Amortisation for the year 2018-19	0.6
Disposals	0
As at 31st March, 2019	0.61
Net Carrying Value	
As at 31 st March 2018	0.49
As at 31 st March, 2019	1.40

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****NOTE 4. INVESTMENTS - NON CURRENT****(Amount ₹ in lacs)**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments : (Fair value through OCI)		
I. Quoted		
1953000 (Previous Year 1953000) Equity Shares of Ruchi Infrastructure Ltd.of Rs.1/- each fully paid up	56.64	71.28
5000 (Previous Year 5000) Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up	0.33	0.79
100 (Previous Year 100) Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10/- each fully paid up	0.00	0.00
108800 (Previous Year 108800) Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up	5.88	8.45
	62.85	80.52
II. Unquoted		
1949284 (Previous Year 1949284) Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up	217.09	205.30
	217.09	205.30
Total	279.94	285.82
Aggregate Amount of Quoted investments and market value thereof	62.85	80.52
Aggregate Amount of Unquoted investments	217.09	205.30

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured considered good) Security deposits	201.20	201.17
Total	201.20	201.17

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest accrued on deposits	0.93	0.57
Balance with Bank in Deposit account having maturity more than 12 months		
Earmarked against credit facility	11.16	12.98
Others	1.53	1.63
	12.69	14.61
Total	13.62	15.18

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****NOTE 7. DEFERRED TAX ASSETS (NET)**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Deferred Tax Assets		
Other Timing Difference	12.81	10.26
Provision for doubtful debts	10.52	9.28
	23.33	19.54
Deferred Tax Liabilities		
Due to Depreciation difference on property, plant and equipments	10.03	14.39
Deferred Tax Assets/(Liabilities) (Net)	13.30	5.15
Mat Credit entitlement	18.18	0.00
Total	31.48	5.15

NOTE 8. OTHER NON-CURRENT ASSETS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Capital advances	50.00	75.76
Advance income tax (net of provision for tax)	0.00	34.18
Total	50.00	109.94

NOTE 9. INVENTORIES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Raw Materials	204.12	109.56
Work in Progress	63.36	42.12
Finished Goods	87.43	132.08
Stock In Trade (Traded Goods)	423.01	8.78
Stores and Spares	39.92	31.40
Total	817.84	323.94

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

Carrying amount of inventories hypothecated as security against liability. (refer note 37)

Cost of inventories recognised as expense include Nil (Previous year Nil) in respect of written down of inventories to realisable value.

NOTE 10. TRADE RECEIVABLES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Unsecured, considered good	2081.90	1445.04
Unsecured, considered doubtful	37.81	30.02
Credit impaired	0.00	0.00
	2119.71	1475.06
Less - Allowance for bad and doubtful debts (Refer note 47(b))	37.81	30.02
Total	2081.90	1445.04

NOTE 11. CASH AND CASH EQUIVALENTS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
i. Balances with Banks		
in Current Accounts	6.96	225.01
in Deposit Accounts (with original maturity up to 3 months)	105.00	128.90
ii. Cash on hand	9.55	2.43
Total	121.51	356.34

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****NOTE 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
In Deposit Accounts having maturity 3 to 12 months Earmarked against credit facility	227.46	66.19
Others	0.00	81.12
	227.46	147.31
Total	227.46	147.31

NOTE 13. LOANS - CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(Unsecured considered good)		
Inter corporate deposits	604.18	525.15
Security deposits	118.17	113.07
Total	722.35	638.22

NOTE 14. OTHER FINANCIAL ASSETS - CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Other receivables (includes rent and insurance claim receivable etc.)	411.66	466.67
Interest Accrued - on fixed deposits with bank	6.19	4.24
Total	417.85	470.91

NOTE 15. OTHER CURRENT ASSETS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Advance to suppliers	38.22	418.55
Balance with govt. authorities	131.57	2.42
Other Receivables (includes prepaid expenses, prepaid insurance etc.)	13.46	13.61
Total	183.25	434.58

NOTE 16. NON CURRENT ASSETS HELD FOR SALE

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Land - freehold	1144.59	1397.00
Building - Office at BTC (Refer note 45)	312.73	0.00
Total	1457.32	1397.00

NOTE 17. EQUITY SHARE CAPITAL

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Authorised		
1,10,00,000 (as at Previous Year 1,10,00,000) Equity Shares of Rs. 10 each	1100.00	1100.00
Total	1100.00	1100.00


SARTHAK INDUSTRIES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019
Issued, Subscribed and fully Paid up

69,68,850 (as at Previous year 69,68,850) Equity Shares of Rs 10 each fully paid up

Total	696.89	696.89
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17.1 The reconciliation of the number of shares and amount outstanding is set out below: (Amount ₹ in lacs)

Particulars	As at 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at beginning of the year	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

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 31 st March, 2019		As at 31 st March, 2018	
	No of shares held	% Held	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88	1385200	19.88
Promise Securities Pvt. Ltd.	400000	5.74	400000	5.74
Girish Kumar Pushkarlal Agarwal	511200	7.34	511200	7.34
Antarica Resource Ltd.	466540	6.69	466540	6.69
Manish Shaha	989500	14.2	910000	13.06
Mahakosh Papers Pvt. Ltd.	375000	5.38	375000	5.38

17.4 During the period of 5 years immediately preceding 31st March, 2019 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
(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
General Reserve		
Balance as at beginning of the year	16.49	16.49
Add: Transferred from Profit & Loss Account	0.00	0.00
Balance as at end of the year	16.49	16.49
Capital Reserve		
Balance as at beginning of the year	45.36	45.36
Add: Addition during the year	0.00	0.00
Balance as at end of the year	45.36	45.36
Securities Premium		
Balance as at beginning of the year	2676.24	2676.24
Add : Received during the year	0.00	0.00
Balance as at end of the year	2676.24	2676.24
Retained Earnings		
Balance as at beginning of the year	(293.99)	(470.62)
Add: Profit for the year	44.90	175.57
Add/(Less): Remeasurement of defined benefit plan through OCI (net of tax)	(1.59)	1.06
Balance as at end of the year	(250.68)	(293.99)
Equity Instrument through Other Comprehensive Income		
Balance as at beginning of the year	72.97	79.38
Add: Gain/(Loss) for the year (net of tax)	(4.97)	(6.41)
Balance as at end of the year	68.00	72.97
Total	2555.41	2517.07

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, 2019****Security Premium**

Security premium is created on recording of premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Equity Instrument through Other Comprehensive Income

The Company has elected to recognise changes in fair value of certain class of investments in other comprehensive income. The fair value changes are accumulated within this reserve and shall be adjusted on derecognition of investments.

Retained Earnings

The same is created out of profit over years and shall be utilised as per the provisions of the Companies Act, 2013.

NOTE 19. BORROWINGS - NON CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Secured		
Term Loans		
From Banks (Refer note (a) below)	17.76	203.63
Less : Current Maturity of Long term borrowings (Refer note 23)	6.39	16.98
	11.37	186.65
Unsecured		
Inter Corporate Deposit (Refer note (b) below)	0.00	966.10
Total	11.37	1152.75

Note :

a. During the year Term loan of Rs. 20.27 lacs taken from ICICI Bank Ltd. for purchase of new vehicle. This loan is secured by exclusive first charge on the vehicle purchased through loan. Term loan taken against purchase of immovable property situated at Flat No. 5AB, 20th Floor, Olive, 54/10 Debendra chandra dey road, kolkata - 700015 (W.B.) is being repaid during the year.

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

(i) Sanctioned amount Rs 20.27 lacs outstanding Rs. 17.76 lacs (Previous Year Rs. nil) is repayable in 36 monthly installments (EMI) of Rs. 0.64 lacs (including Interest) commencing from November 2018 and last installment is due in the month of October 2021. Rate of interest as at the year end 9% p.a. (Previous Year Nil).

(ii) Sanctioned amount Rs 230.59 lacs outstanding Rs. Nil (Previous Year Rs. 203.63 lacs). Rate of interest was Nil (Previous Year 10.75%).

b. Unsecured inter corporate deposit of Rs. Nil (Previous Year Rs. 966.10 lacs). Rate of interest Nil (Previous Year 8% p.a.).

NOTE 20. PROVISIONS - NON CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Provision for Employee benefit (Refer note 39 (B) and (C) for disclosure as per Ind AS -19)	5.63	3.16
Total	5.63	3.16

NOTE 21. BORROWINGS - CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Unsecured		
From Others		
- Inter Corporate Deposit	267.84	397.84
Total	267.84	397.84

NOTE 22. TRADE PAYABLES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
(a) Total outstanding dues of Micro and Small Enterprises (refer note below)	0.00	0.00
(b) Total outstanding dues of creditors other than (a) above	2431.28	1742.84
Total	2431.28	1742.84

Note :

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

There are no 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, 2019****NOTE 23. OTHER FINANCIAL LIABILITIES - CURRENT****(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current Maturities of Long Term Borrowings (Refer note 19)	6.39	16.98
Other Payables		
Advances from Customers	328.17	338.98
Security deposits	21.90	6.00
Creditors for Capital Expenses	0.00	22.96
Total	356.46	384.92

NOTE 24. OTHER CURRENT LIABILITIES**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Statutory Dues	8.79	14.23
Advances from Customers	0.28	0.21
Other Liabilities	611.85	578.31
Total	620.92	592.75

NOTE 25. PROVISIONS - CURRENT**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Provision for Employee benefit (Refer note 39 (B) and (C) for disclosure as per Ind AS -19)	2.16	1.63
Total	2.16	1.63

NOTE 26. CURRENT TAX LIABILITIES**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Current Tax Liabilities	8.31	0.00
Total	8.31	0.00

NOTE 27. LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Advance against assets classified as held for sale	1036.13	0
Total	1036.13	0

NOTE 28. REVENUE FROM OPERATIONS**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Sales of Products	11169.27	12087.37
Sale of Services	26.40	22.22
Total	11195.67	12109.59

NOTE 29. OTHER INCOME**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Interest Received (at amortised cost)	96.76	159.82
Profit from commodity trading	0.00	162.98
Excess Provision for doubtful debts reversed	0.00	7.53
Other Non operating income		
Rent Received	46.35	40.30
Profit on sale of Property, plant and equipment	0.00	5.32
Miscellaneous Income	1.45	0.42
Total	144.56	376.37

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****NOTE 30. COST OF MATERIALS CONSUMED****(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Raw Materials Consumed	2200.20	1558.26
Total	2200.20	1558.26

NOTE 31. PURCHASES OF STOCK IN TRADE**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Purchases of traded goods	8403.66	9923.16
Total	8403.66	9923.16

NOTE 32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Closing stocks		
Finished Goods	87.44	132.08
Work in Progress	63.36	42.12
Stock in Trade	423.01	8.78
	573.81	182.98
Less : Opening 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
Changes in Inventories	Total	
	(390.83)	25.85

NOTE 33. EMPLOYEE BENEFIT EXPENSES**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Salaries and Wages	269.59	204.92
Contribution to Provident and other fund	6.99	5.88
Staff Welfare Expenses	1.75	1.34
Total	278.33	212.14

NOTE 34. FINANCE COSTS**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Interest Expenses (at amortised cost)	119.80	136.79
Other Borrowing costs	40.62	37.00
Total	160.42	173.79

NOTE 35. OTHER EXPENSES**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Power and Fuel	62.98	55.80
Stores, spares and consumables	49.51	37.31
Rent	18.34	4.86
Repairs to Machinery	2.32	2.24
Repairs to Buildings	0.32	3.55
Insurance	12.06	4.88
Rates & Taxes excluding taxes on income	1.73	12.42
Factory Expenses	2.72	1.37
Legal and Professional Charges	44.79	31.14
Travelling & Conveyance Expenses	54.02	22.80
Vehicle Expenses	11.11	9.47
Allowance for doubtful debts	7.80	0.00
Net Loss on Foreign Currency Transactions and Translations	22.54	3.98
Loss on Sale of Investment	0.00	4.47
Loss on Sale of Property, Plant & Equipment	50.39	0.00
Miscellaneous Expenses	158.00	51.58
Total	498.63	245.87

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****36. Contingent Liabilities and Commitments****(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
-------------	---------------------------------------	---------------------------------------

- A. Contingent Liabilities**
- a) Estimated amount of claims against the Company not acknowledged as debts in respect of:**
- Sales Tax and income tax demand disputed in appeals 321.34 769.78
(Amount deposited Rs. 171.22 lacs (Previous Year Rs. 210.89 lacs))
- B. Commitments**
Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. 1.51 lacs (net of advances of Rs. 0.76 lacs)).
- 37. The Company has been sanctioned non fund based credit facilities of Rs. 1100 lacs by Punjab National Bank Limited and Rs. 1400 lacs by 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.
- 38. 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. 18.34 lacs (Previous Year Rs. 4.86 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. 46.35 lacs (Previous Year Rs. 40.30 lacs).
- 39. Employee Benefit :**
- (A) Defined contribution plans**
In respect of defined contribution plans, an amount of Rs. 4.98 lacs (Previous Year: Rs. 3.99 lacs) has been recognised in the statement of profit and loss for the year towards employer contribution to provident fund.

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****(B) Defined benefit plans**

The company provides for gratuity for employees as per the Payment of Gratuity Act 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Company has opted for scheme with Life Insurance Corporation of India ("LIC") to cover its liabilities towards employees gratuity. The annual premium paid to LIC is charged to Profit and Loss Account. The Company also carries out Actuarial valuation of gratuity using Projected Unit Credit Method as required by Ind As - 19 and the difference between fair value of plan assets and liability as per actuarial valuation as at the year end is recognised in statement of Profit and Loss.

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
I. Change in Benefit Obligation	Rs.	Rs.
Liability at the beginning of the year	17.56	19.86
Interest Cost	1.02	1.15
Current Service Cost	1.03	1.47
Remeasurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	0.33	(0.40)
Actuarial loss/(gain) arising from change in demographic assumptions	(0.01)	0.00
Actuarial loss/(gain) arising on account of experience changes	3.86	(2.83)
Benefit Paid	(0.93)	(1.68)
Closing of defined benefit obligation	22.86	17.57
II. Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	23.89	5.00
Interest on plan assets	1.90	0.44
Contributions by Employer	0.00	19.67
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	(0.33)	0.46
Benefit Paid	(0.93)	(1.68)
Fair Value of Plan Assets at the end of the year	24.53	23.89
III. Amount Recognized in the Balance Sheet		
Present value of funded defined benefit obligation	22.86	17.57
Fair Value of Plan Assets at the end of the year	24.53	23.89
Net funded obligation	(1.67)	(6.32)
Amount not recognized due to asset limit	0.00	2.15
Net defined benefit liability/(asset) recognised in balance sheet	(1.67)	(4.17)
Net defined benefit liability/(asset) is bifurcated as follows :		
Current	0.00	0.00
Non current	(1.67)	(4.17)
IV. Expenses Recognized in Profit and Loss A/c		
Current Service Cost	1.03	1.47
Interest Cost	(0.72)	0.71
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	0.31	2.18
V. Amount recognised in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(3.57)	(2.04)
Remeasurement due to :		
Changes in financial assumptions	0.33	(0.40)
Changes in demographic assumptions	(0.01)	0.00
Experience adjustments	3.86	(2.83)
Actual return on plan assets less interest on plan assets	0.33	(0.46)
adjustment to recognise the effect of asset ceiling	(2.32)	2.15
Closing amount recognised in OCI outside profit and loss account	(1.38)	(3.58)
VI. Net defined benefit liability/(asset) reconciliation		
Opening net defined benefit liability/(asset)	(4.17)	14.86
Expense charged to profit and loss account	0.32	2.18
Employers Contribution	0.00	(19.67)
Amount recognised outside Profit & Loss	2.20	(1.53)
Closing net defined benefit liability/(asset)	(1.65)	(4.16)

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019****VII. Assumptions**

Discount Rate Current	7.45%	7.80%
Rate of Return on Plan Assets Current	Funded	Funded
Salary Escalation Current	5.00%	5.00%
Attrition rate	2.00%	2.00%

(i) Expected contribution for defined benefit plan for the next financial year would be Rs. Nil (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 31 st March, 2019		As at 31 st March, 2018	
	Decrease 50 bps	Increase 50 bps	Decrease 50 bps	Increase 50 bps
Change in discounting rate	23.36	22.41	17.89	17.25
Change in salary escalation rate	22.40	23.37	17.24	17.90

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.

(C) LEAVE ENCASHMENT

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

Liability on account of Leave Encashment as at the year end Rs. 7.79 lacs (Previous Year Rs. 4.79 lacs).

40 Earning Per Share (EPS) :-

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Net Profit after tax	44.90	175.59
Nominal Value of each equity share (Rupees)	10	10
Weighted average no. of shares	6968850	6968850
Basic and diluted earning per share (Rupees)	0.64	2.52

41. Payment to auditors :

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
Other Services	0.61	0.63
Cost Audit Fees	0.20	0.20
Reimbursement of Expenses	0.01	0.01



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

42 Segment Reporting as per Ind AS 108 :

	2018-19			(Amount ₹ in lacs)
	L.P.G. Cylinders	Merchant Trading	Other/ Unallocable	Total Amount
(a) Operating segment information				
Segment Revenue	3044.23	8152.89	143.11	11340.23
	2122.38	10157.73	205.85	12485.96
Segment Results (PBIT)	221.25	47.90	9.77	278.92
	122.21	166.22	100.86	389.29
Less : Finance Cost				160.42
				173.79
Profit before Tax				118.50
				215.50
Less : Tax Expenses				73.60
				39.93
Profit after Tax				44.90
				175.57
Segment Assets	1225.16	2426.11	4341.13	7992.40
	1044.09	1857.15	4611.01	7512.25
Segment Liability	921.09	1858.26	1960.75	4740.10
	355.80	1332.11	2610.39	4298.30
Segment Property, Plant & Equip. purchased/acquired	29.61	24.23	67.87	121.71
	113.46	0.00	0.89	114.35
Segment depreciation	40.66	3.96	26.70	71.32
	25.18	1.54	38.38	65.10

Previous year figures shown in Italic

(b) Geographical segment information

The company's all operations are in India only.

	(Amount ₹ in lacs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Domestic Revenue	11193.27	12462.71
Export Revenue	146.96	23.23
Total	11340.23	12485.94

(c) Revenue from major products

The following is an analysis of the Company's segment revenue from continuing operations from its major products -

	(Amount ₹ in lacs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
LPG cylinders	3044.23	2122.38
Merchant Trading	8152.89	10157.73
Unallocable	143.11	205.85
Total	11340.23	12485.96

(d) Revenue from major customers

Details of Company's revenue of 10% or more contributed by individual customers for the year ended March 31, 2019.

	(Amount ₹ in lacs)	
Particulars	As at 31 st March, 2019	As at 31 st March, 2018
LPG cylinders	1704.60	1406.42
Merchant Trading	4389.07	8879.97
Unallocable	0.00	0.00
Total	6093.67	10286.39

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****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

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 & close members 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, 2019**(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Income :		
Sales		
Paras Industries Pvt. Ltd., Sri Lanka	0.00	23.23
Expenditure :		
Remuneration		
Mr. Yogender Mohan Sharma	10.02	9.54
CS Amit Jain	12.33	11.40
CA Kailash Agarwal	15.20	13.50
Post employment benefits		
Mr. Yogender Mohan Sharma	0.14	0.14
CS Amit Jain	0.17	0.17
CA Kailash Agarwal	0.22	0.22

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

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
-------------	---------------------------------------	---------------------------------------

a. Particulars of Loan given and outstanding as at the year end:

Anik Jicks Logistic Pvt. Ltd	15.00%	604.19	498.73
RRHL Realty Ltd.	8.00%	0.00	26.42

(Loans are given for strategic business purpose.)

b. Investments made :The same are classified under respective heads.
(Refer Note 4).**45 Assets classified as held for sale :****The Company has entered into agreements for sale as under -****(Amount ₹ in lacs)**

Particulars	Carrying value	Advance amount received	Expected date of completion of sale
(a) Land - freehold agreement dated 29.05.18 for sale of 3.936 hectares of land at village Kanadia, district Indore, (M.P.)	1144.59	866.13	FY 19-20
(b) Building - office agreement dated 26.03.19 for sale of office building at Bansi Trade Centre, M.G. Road, Indore, (M.P.)	312.73	170.00	FY 19-20
Total	1457.32	1036.13	



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

46 Financial and Derivatives Instruments -

Derivative contract entered by the Company and outstanding as on 31.03.19

(i) Notional amount of Forward Contracts (Purchase) entered into by the company and outstanding as on 31.03.19 -

Particulars	As at 31.03.2019	As at 31.03.2018
Currency	USD	USD
No. of contracts	5	Nil
Amt. in Foreign Currency	539819.89	Nil
Equivalent amt. in INR lacs	373.34	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 31.03.2019	As at 31.03.2018
Currency		
Amt. payable in USD	1470402.70	880000.00
Amt. payable in INR lacs	1016.93	572.39
Amt. receivable in USD	179904.89	45825
Amt. receivable in INR lacs	124.40	29.81
Net Amount Payable in USD	1290497.81	834175.00
Equivalent amt. in INR lacs	892.51	542.58

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****47. 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 31 st March 2019	For the Year ended 31 st March 2018
Interest rate risk exposure (variable rate) Borrowings from banks and others	17.76	1169.73
Total borrowings	17.76	1169.73

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 31 st March 2019	For the Year ended 31 st March 2018
Impact on Profit or Loss for the year decrease	0.18	11.70
Impact on Profit or Loss for the year Increase	(0.18)	(11.70)

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 31 st March 2019 USD exposure in INR	As at 31 st March 2018 USD exposure in INR
Receivable net exposure Trade receivable	124.40	29.81
Payable net exposure Trade payable	1016.93	572.39
Forward exchange contracts against imports and foreign currency payable	373.34	0.00
Payable net exposure	643.59	572.39
Total net exposure Receivable/(Payable)	(519.19)	(542.58)

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****Sensitivity to foreign currency risk**

The following table demonstrates the sensitivity in the USD currencies if the currency rate is strengthened/weakened 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 31 st March 2019		For the Year ended 31 st March 2018	
	Strengthening	Weakening	Strengthening	Weakening
Sensitivity to foreign currency risk	(5.19)	5.19	(5.43)	5.43

(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 31 st March 2019	As at 31 st March 2018
Up to 180 days	1698.38	1171.15
More than 180 days	421.33	303.90
Total	2119.71	1475.05

The following table summarizes the change in the loss allowances measured using expected credit loss**(Amount ₹ in lacs)**

Particulars	Amount
Balance as at 1 st April, 2017	37.54
Provided during the year	0.00
Reversed during the year	7.53
Balance as at 31 st March, 2018	30.02
Provided during the year	7.80
Reversed during the year	0.00
Balance as at 31 st March, 2019	37.81

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.

Cash & Cash Equivalents

The Company holds cash & cash equivalents with credit worthy banks of Rs. 121.51 lacs as at 31st March, 2019 (Rs. 365.34 lacs as at 31st March, 2018). The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****(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	Total	Less than 1 year	1 to 5 years	>5 years
As at 31st March, 2019				
Non Derivative Financial Liabilities				
Borrowings	285.60	6.39	279.21	0.00
Trade payables	2057.93	2057.93	0.00	0.00
Other financial liabilities	350.07	350.07	0.00	0.00
Total	2693.60	2414.39	279.21	0.00
Derivative Financial Liabilities				
Forward Contract outstanding	373.34	373.34	0.00	0.00
Total	373.34	373.34	0.00	0.00
As at 31st March, 2018				
Non Derivative Financial Liabilities				
Borrowings	1567.57	16.98	1550.59	0.00
Trade payables	1742.84	1742.84	0.00	0.00
Other financial liabilities	367.94	367.94	0.00	0.00
Total	3678.35	2127.76	1550.59	0.00
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, 2019 and 31st March, 2018.

Gearing Ratio:**(Amount ₹ in lacs)**

Particulars	As at 31 st March 2019	As at 31 st March 2018
Total Liabilities (Refer Notes 19 and 23)	17.76	1169.73
Cash and cash equivalent (Refer Note 11)	121.51	356.34
Adjusted net Debt	(103.75)	813.39
Total Equity	3252.31	3213.95
Net Debt to equity ratio	0.00	0.25



SARTHAK INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

48. 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 2019 Particulars	Fair Value Measurement			Fair Value hierarchy		
	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments in equity instruments		279.94	0.00	62.85	0.00	217.10
Cash and cash equivalents			121.51			
Bank balances other than cash and cash equivalents			227.46			
Trade Receivables			2081.90			
Loans			923.55			
Other financial assets			431.47			
Total	0.00	279.94	3785.89	62.85	0.00	217.10
Financial liabilities						
Borrowings			285.60			
Trade Payables			2057.93			
Forward Contracts Premium Payables			373.34			
Other financial liability			350.07			
Total	0.00	0.00	3066.94	0.00	0.00	0.00
Financial assets						
Investments in equity instruments		285.83	0.00	80.53	0.00	205.30
Cash and cash equivalents			356.34			
Bank balances other than cash and cash equivalents			147.31			
Trade Receivables			1445.04			
Loans			839.39			
Other financial assets			486.08			
Total	0.00	285.83	3274.16	80.53	0.00	205.30
Financial liabilities						
Borrowings			1567.57			
Trade Payables			1742.84			
Forward Contracts Premium Payables			0.00			
Other financial liability			367.94			
Total	0.00	0.00	3678.35	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.

49. Tax Expenses :

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

(Amount ₹ in lacs)

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
(i) Current Tax		
in respect of current year	86.82	44.75
Total Current Tax	86.82	44.75
(ii) Deferred Tax		
in respect of current year	(6.62)	0.47
Total Deferred income tax expense/(credit)	(6.62)	0.47
(iii) Income tax for earlier years	(6.60)	(5.29)
Total income tax expense/(credit)	73.60	39.93

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019****B. Amounts Recognised in Other Comprehensive Income**

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
(i) Items that will not be reclassified to Profit or Loss		
tax impact on remeasurements of the defined benefit Plans	(0.61)	0.47
tax impact on Gain/Loss on change in fair value of equity instruments	(0.92)	(3.36)
(ii) Items that will be reclassified to Profit or Loss	0.00	0.00
(B) Total	(1.53)	(2.89)
Total Tax expenses for the year (A+B)	72.07	37.04

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	118.51	215.50
Applicable Tax Rate	0.28	0.31
income tax as per above rate	33.00	67.00
Adjustments for taxes for		
Expense not deductible for tax purposes	64.64	31.01
Expense allowable/considered separately for tax purposes	(46.52)	(73.95)
Income exempt from Income taxes	0.00	0.00
Tax due to change in tax rate	41.37	22.65
Others	(18.85)	(6.38)
Income tax as per statement of profit and loss	73.60	39.93

The movement in Deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018

Movement during the year ended March 31, 2019 & March 31, 2018	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred tax assets				
Other timing differences	10.26	1.01	1.54	12.81
Provision for doubtful debts	9.28	1.24	0.00	10.52
Deferred tax liabilities				
Depreciation on PPE	14.39	(4.37)	0.00	10.03
Deferred tax assets/(liabilities) net	5.15	6.62	1.54	13.30
Mat credit entitlement	0.00	18.18	0.00	18.18
Deferred tax assets/(liabilities) total	5.15	24.80	1.54	31.48

50 Ind AS 115 'Revenue from contract with customer', has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 is effective from accounting period beginning on or after 01.04.2018, which replace existing revenue recognition requirement. In accordance with the new standard, and on the basis of the Company's contracts with customers its application didn't have any impact on recognition and measurement of revenue and related items in the financial statement including the retained earnings as at 1st April, 2018.

51 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 SMAK & Co.
Chartered Accountants
(FRN 020120C)

For and on behalf of the Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishek Ved
Director
DIN: 07362817

CA Shridhar Mandhanya
Partner
M. No. : 421425
Place : Indore
Dated : 30th May, 2019

CS Amit Jain
Company Secretary

CA Kailash K 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 35th Annual General Meeting of the Company, to be held on the Friday, 27th September, 2019 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 31 st March, 2019 together with the Report of the Board of 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 31 st March, 2020.
4.	To approve the re-appointment of Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company.

Signed this..... day of..... 2019



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

35th Annual General Meeting

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON FRIDAY, 27TH SEPTEMBER, 2019

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 35th 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 Friday, 27th September, 2019.

.....
(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.