



SARTHAK INDUSTRIES LIMITED

**31st Annual Report
2014-15**

CIN	: L99999MH1982PLC136834
BOARD OF DIRECTORS	: Mr. Yogender Mohan Sharma Whole-time Director Mr. Udesb Dassani Independent Director Mr. Vijay Rathi Independent Director Mr. Sartajsing Chhabra Non-Executive Director Mrs. Deepika Arora Additional Director
COMPANY SECRETARY	: CS Amit Jain
CHIEF FINANCIAL OFFICER	: CA Kailash Kumar Agarwal
BANKERS	: Punjab National Bank IDBI Bank Ltd.
REGISTERED OFFICE	: Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH)
CORPORATE OFFICE	: 214, Trade Centre, South Tukoganj, Indore-452001(M.P.)
WORKS	: LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.)
AUDITORS	: M/s Ashok Khasgiwala & Co., Chartered Accountants 317, Chetak Centre Annex, Indore-452001(M.P.)
REGISTRAR & SHARE TRANSFER AGENT	: M/s Sarthak Global Limited 170/10, Film Colony, R.N.T. Marg, Indore-452001 (M.P.)
STOCK EXCHANGE LISTING	: The Bombay Stock Exchange Ltd.

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of **Sarthak Industries Limited** will be held at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400009 on Tuesday, the 22nd September, 2015 at 4.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sartajsing Chhabra, (DIN: 05342507) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Ashok Khasgiwala & Company, Chartered Accountants, (Firm Registration No.: 0743C) retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

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

“RESOLVED THAT Mrs. Deepika Arora (DIN: 07117491), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 16, 2015 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period shall be liable to determination by retirement of director by rotation.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such Orders, Rules, Notifications, as may be promulgated by the appropriate authorities in this regard, the remuneration of Rs. 20,000/- (Rs. Twenty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2015 as approved by the Board of Directors of the Company, payable to M/s. A. GOYAL AND CO., Cost Accountant (Membership No. 13212) for conducting the audit of the cost records of the Company be and is hereby ratified and confirmed.”

By order of the Board of Directors

Place : Indore
Dated: 14th August, 2015

(SARTAJ SING CHHABRA)
DIRECTOR
DIN: 05342507

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 **16th September, 2015 to 22nd September, 2015** (both days inclusive).
4. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item no. 4 to 5 of the notice set out above, is annexed hereto.
5. 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.
6. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment/appointment at the Annual General Meeting is attached hereto. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
9. The Notice of Annual General Meeting and Annual Report of the Company for the year 2014-15, circulated to the Members of the Company, is available on the Company's website viz. www.sarthakindustries.com.

10. Remote E-Voting

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 read with the relevant Rules made thereunder and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on Saturday, 19th September, 2015 at 09.00 A.M. and ends on Monday, 21st September, 2015 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 15th September, 2015 i.e. cut-off date (record date), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for “SARTHAK INDUSTRIES LIMITED” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you 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) Note for Institutional Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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 they have to create a compliance user 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (II) (a) Mr. L. N. Joshi, FCS 5201, Practicing Company Secretary (CP No 4216) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (b) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
11. Voting is provided to the members through remote e-voting and at the annual general meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
12. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
13. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.
14. At the meeting, after all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for e-voting as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.
15. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sarthakindustries.com not later than 3 (three) days of passing of the resolution at the Annual General Meeting of the Company and will be communicated to the Stock Exchange.
16. A route map and prominent land mark for easy location to the venue of AGM is attached to this Notice.

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2015

SARTAJ SING CHHABRA
DIRECTOR
DIN: 05342507

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

Mrs. Deepika Arora (DIN: 07117491) was appointed by the Board as an additional director of the Company w.e.f. 16th March, 2015 and she holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice under Section 160 of the Companies Act, 2013 (“the Act”) along with the deposit of the requisite amount proposing her candidature for the office of Director of the Company liable to retire by rotation.

Her brief resume and other particulars have been given below under the heading ‘*Details of Directors seeking appointment/re-appointment*’.

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

Save and Except Mrs. Deepika Arora, none of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in the Resolution.

Item No. 5:

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 Accountant (Membership No. 13212), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses.

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

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

None of the Directors and Key Managerial Personnel of the Company and their relatives is directly or indirectly concerned or interested in the Resolution.

By order of the Board of Directors

Place: Indore

Dated: 14th August, 2015

SARTAJ SING CHHABRA
DIRECTOR
DIN: 05342507

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

Name of Directors	MR. SARTAJ SING CHHABRA (DIN: 05342507)	MRS. DEEPIKA ARORA (DIN: 07117491)
Date of Birth	24.06.1969	03.05.1983
Age	46 years	32 years
Date of Appointment	30.08.2012	16.03.2015
Expertise / Experience in specific functional areas	He is having vast experience in the field of Mines and Minerals.	She is having vast experience in the field of finance.
Qualification	B.Com.	C.A
No. & % of Equity Shares held in the Company.	Nil	Nil
List of outside Company's directorship held.	<ol style="list-style-type: none"> 1. Anik Renewable Energy Private Limited 2. Nav Nirman Vidyut Utpadan Private Limited 3. Nebula Infratech Private Limited 4. Anik Ferro-Alloys Private Limited 5. Arka Ventures Private Limited 6. Suman Agritech Limited 7. Rewa Leisure Private Limited 8. Pushpal Exports Private Limited 9. Avanti Energy Pvt. Ltd. 10. Mahakosh Amusement Private Limited 11. Yatish Impex Private Limited 12. M.P.Energy Pvt. Ltd. 13. Avantika Farms Private Limited 14. Deepti Properties Pvt. Ltd. 15. Neva Steels & Ferro-Alloys Pvt. Ltd. 	Nil
Chairman / Member of the Committees of the Board of Directors of the Company.	Member of Nomination & Remuneration Committee and Risk Management Committee.	Nil

Chairman / Member of the Committees of the Board of Directors of other Companies in which he/ she is director.	Nil	Nil
Relationship between directors inter-se.	Nil	Nil

By order of the Board of Directors

Place: Indore
Dated: 14th August, 2015

(SARTAJ SING CHHABRA)
DIRECTOR
DIN: 05342507

Sarthak Industries Ltd.
CIN: L99999MH1982PLC136834
Regd. Office: Room No. 4, Anna Bhuvan,
3rd Floor, 87C Devji Ratansi Marg,
Dana Bunder, Mumbai (MH), 400009
Phone: 022-23480110,
Email Id: sarthakindustries@yahoo.in
Website: www.sarthakindustries.com

DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 31st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

The performance of the Company for the financial year ended on 31st March, 2015 is summarized below:

Particulars	(Rs. In Lacs)	
	2014-15 (01.04.2014-31.03.2015)	2013-14 (01.04.2013-31.03.2014)
Sales and other Income	9,996.29	11,733.68
Gross Profit/ (Loss)	102.53	(1,081.39)
Depreciation	60.96	51.00
Profit/ (Loss) before tax	41.57	(1,132.39)
Provision for Taxation for the year	14.43	137.65
Profit/ (Loss) after Taxation	27.14	(1,270.04)
Balance brought forward from previous year	(411.68)	858.36
Adjustment of Depreciation as per schedule II of the Companies Act, 2013	(25.01)	-
Amount available for appropriation	(409.55)	(411.68)
APPROPRIATION		
Amount Carried to Balance sheet	(409.55)	(411.68)

DIVIDEND

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

AMOUNT TRANSFERRED TO RESERVE

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

OPERATIONS

During the year under review, Sales and Other Income of the Company stood at Rs. 9,996.29 Lacs showing decreasing trend over the previous year but Profit before tax has increased and stood at Rs. 102.53 Lacs as compared to previous year Loss Rs. 1081.39 Lacs and Net Profit also increased and stood at Rs. 27.14 Lacs as compared to previous year net loss Rs. 1270.04 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.

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 2015 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 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

INSURANCE

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

HUMAN RESOURCE & INDUSTRIAL RELATIONS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

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, 2015; 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 and loss of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis;
- v) That the Directors have laid down internal financial controls, which are adequate and are operating effectively;

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Mr. Virendra Kumar Gupta has been ceased from the Directorship of the Company due to sad demise on 22.05.2014. The Board appreciates the services rendered by him during his association with your Company.

Mrs. Deepika Arora was appointed as an Additional Director by the Board of the Company with effect from 16th March, 2015 and holds office upto the date of this Annual General Meeting. Your Company has received a notice in writing proposing her candidature for the office of Director of the Company liable to retire by rotation.

During the year under review, the members approved the appointments of Mr. Udesch Dassani and Mr. Vijay Rathi, as Independent Directors who are not liable to retire by rotation and Mr. Yogender Mohan Sharma as a Whole-time Director of the Company.

The Board designated Mr. Amit Jain, Company Secretary as Key Managerial Personnel of the Company and appointed Mr. Vijay Agrawal as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company w.e.f. 01.07.2014 under Section 203 of the Companies Act, 2013 and rules made thereunder. Mr. Vijay Agrawal has resigned from the post of CFO w.e.f. 01.03.2015 due to his pre-occupations and Mr. Kailash Kumar Agarwal has been appointed by the Board as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company w.e.f. 11.04.2015.

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company does not have any subsidiary or joint venture or associate Company during the year.

NUMBER OF MEETINGS OF THE BOARD

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

CODE OF CONDUCT

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

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

None of Independent Directors are due for re-appointment.

FAMILIARIZATION PROGRAMME

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

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

considered material in accordance with the policy of the Company on materiality of related party transactions.

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

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

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

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

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

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as "*Annexure 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 Clause 49 of the Listing Agreement 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 & Clause 49 of the Listing Agreement, the Board of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The details of risk have been covered in the Management Discussion and Analysis Report forming part of the Boards report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDITORS & AUDITORS REPORT

The Auditors M/s. Ashok Khasgiwala & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and they are not disqualified for such appointment.

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, (Membership No. 13212) as Cost Auditors of the Company for conducting the audit of cost records maintained by the Company for the financial year 2014-15.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Ajit Jain & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year 2014-15 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.

SIGNIFICANT AND MATERIAL ORDERS

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

EXTRACT OF ANNUAL RETURN

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

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

The Company has in place an anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director

DIN: 03644480

SARTAJ SING CHHABRA

Director

DIN: 05342507

Place: Indore

Dated: 14th August, 2015

ANNEXURE 'A' TO DIRECTORS' 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, 2015 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 2014-15.

(iii) The capital investment on energy conservation equipments:

No Capital investment on energy conservation equipments during the year 2014-15.

(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 2014-15.

(C) Foreign exchange earnings and Outgo

During the year under review, the foreign exchange outgo was **Rs. 10,61,85,533** (Previous Year Rs. NIL) and the foreign exchange earning was **Rs. NIL** (Previous year Rs. Nil).

ANNEXURE 'B' TO DIRECTORS' 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. Virendra Kumar Gupta*	-
Mr. Yogender Mohan Sharma**	-
Non-Executive Director	
Mr. Udesb Dassani	0.08
Mr. Vijay Rathi	0.08
Mr. Sartajsing Chhabra	0.07
Mrs. Deepika Arora***	-

* Mrs. Virendra Kumar Gupta ceased on 22.05.2014, therefore details not given.

** Mr. Yogender Mohan Sharma appointed on 15.07.2014, therefore details not given.

*** Mrs. Deepika Arora appointed on 16.03.2015, therefore details not given

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

Name of Directors, CFO and Company Secretary	% increase in the remuneration in the financial year 2014-15
Mr. Virendra Kumar Gupta (Whole-time Director)*	-
Mr. Yogender Mohan Sharma (Whole-time Director)**	-
Mr. Udesb Dassani (Non-Executive Independent Director)	Nil
Mr. Vijay Rathi (Non-Executive Independent Director)	Nil
Mr. Sartajsing Chhabra (Non-Executive Director)	Nil
Mrs. Deepika Arora (Non-Executive Director)***	-

Mr. Vijay Agrawal (Chief Financial Officer)****	-
Mr. Amit Jain (Company Secretary)	13.27%

* Mr. Virendra Kumar Gupta ceased on 22.05.2014, therefore details not given.

** Mr. Yogender Mohan Sharma appointed on 15.07.2014, therefore details not given.

*** Mrs. Deepika Arora appointed on 16.03.2015, therefore details not given.

**** Mr. Vijay Agrawal appointed as CFO on 01.07.2014 and ceased on 01.03.2015, therefore details not given.

(iii) The percentage increase in the median remuneration of employees in the financial year: 0%

(iv) The number of permanent employees on the rolls of Company: 25

(v) The explanation on the relationship between average increase in remuneration and Company performance:

No increase in median remuneration in the year 2014-15.

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

Most of the key managerial personnel are new and Remuneration of the Key Managerial personnel is as per the industry standards. Keeping in mind the Company performance the key managerial personnel were not paid variable salaries.

(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	As on 31.03.2015	As on 31.03.2014	% Change
Market Capitalization (Rs. in Crore)	3.74	3.79	-1.32%
Price Earnings Ratio	NA	NA	NA

Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	As on 31.03.2015	Rate of last Public Offer (in 1996)	% Change
Price (BSE)	5.37	10.00	- 46.30%

- (viii) 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. 2014-15 was 1.66% whereas the most of the key managerial personnel are new and appointed during last financial year 2014-15, therefore no comparison available.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:**

In the financial year 2014-15, no variable was paid to the key managerial personnel based on the performance of the Company. Remuneration of the Key Managerial personnel is as per industry standards.

- (x) The key parameters for any variable component of remuneration availed by the directors:**

NIL

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

The ratio of the remuneration of the Whole-time Director to remuneration of highest paid employee who is not a director is 0.34.

- (xii) 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 DIRECTORS' 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 Clause 49 of the Listing Agreement, 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 DIRECTORS' REPORT**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[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

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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st march, 2015, 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009 (**Not applicable to the Company during the audit period**);

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);
- (vi) Other applicable laws 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 (**Not in force during the audit period hence not applicable to the Company**).
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Ltd. and Madhya Pradesh Stock Exchange Ltd.

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 while the dissenting members' views are captured and recorded as part of the minutes.

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 during the audit period the Company has not incurred any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Indore
Date : 14.08.2015

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

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 : 14.08.2015

For Ajit Jain & Company
(Company Secretary)

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

ANNEXURE 'E' TO DIRECTORS' REPORT

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L99999MH1982PLC136834
ii)	Registration Date	23 rd December, 1982
iii)	Name of the Company	Sarthak Industries Limited
iv)	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v)	Address of the Registered office and contact details	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai , Maharashtra - 400009 Phone No.:- 022-23480110
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	2812	17.71%
2	Wholesale of Dairy Products	5122	41.45%
3	Wholesale of Cereals & Pulses	5121	25.63%
4	Wholesale of Metals	5142	12.73%

* As per NIC-2004 available at <http://www.mca.gov.in/MCA21/>**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
--	--	--	--	--	--

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	25,86,439	4,91,000	30,77,439	44.16	25,86,650	4,91,000	30,77,650	44.16	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	39,725	2,94,395	3,34,120	4.79	40,114	2,93,795	3,33,909	4.79	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,53,285	-	5,53,285	7.94	5,53,285	-	5,53,285	7.94	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Overseas Corporate Bodies	-	4,66,540	4,66,540	6.69	0	4,66,540	4,66,540	6.69	-
ii) Hindu Undivided Families	1,101	-	1,101	0.02	1,101	-	1,101	0.02	-
iii) Non-Resident Indian	1,835	-	1,835	0.03	1,835	-	1,835	0.03	-
Sub-total (B)(2):-	31,82,385	12,51,935	44,34,320	63.63	31,82,985	12,51,335	44,34,320	63.63	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	31,82,385	12,51,935	44,34,320	63.63	31,82,985	12,51,335	44,34,320	63.63	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	57,16,915	12,51,935	69,68,850	100	57,17,515	12,51,335	69,68,850	100	-

ii) Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2014)			Share holding at the end of the year (As on 31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish Shahra	9,10,000	13.06	-	9,10,000	13.06	-	-
2	Manish Shahra (HUF)	1,40,000	2.01	-	1,40,000	2.01	-	-
3	Suresh Chandra Shahra	1,12,000	1.61	-	1,12,000	1.61	-	-
4	Suresh Chandra Shahra (HUF)	2,10,000	3.01	-	2,10,000	3.01	-	-
5	Rishabh Suresh Mahajan	14,000	0.20	-	14,000	0.20	-	-
6	Amrita Shahra	100	0.00	-	100	0.00	-	-
7	Abha Devi Shahra	3,500	0.05	-	3,500	0.05	-	-
8	Bhavna Goel	500	0.01	-	500	0.01	-	-
9	Madhuri Shahra	1,000	0.01	-	1,000	0.01	-	-
10	Mridula Devi Shahra	2,600	0.04	-	2,600	0.04	-	-
11	Vishesh Shahra	3,150	0.05	-	3,150	0.05	-	-
12	Ruchi Mohan	1,500	0.02	-	1,500	0.02	-	-
13	Sandhya Khandelwal	500	0.01	-	500	0.01	--	-
14	Usha Devi Shahra	2,500	0.04	-	2,500	0.04	-	--
15	Shweta Shahra	6,250	0.09	-	6,250	0.09	--	-
16	Deepti Properties Pvt. Ltd.	1,00,000	1.43	-	1,00,000	1.43	-	-
17	Vishal Warehousing Pvt. Ltd.	1,05,760	1.52	-	1,05,760	1.52	-	-
18	Neha Securities Pvt. Ltd.	1,06,950	1.53	-	1,06,950	1.53	-	-
19	Mahakosh Papers Pvt. Ltd.	3,75,000	5.38	-	3,75,000	5.38	-	-
20	Mahakosh Amusement Pvt. Ltd.	80,000	1.15	-	80,000	1.15	-	-
21	Deepti Housing Pvt. Ltd.	2,22,900	3.20	-	2,22,900	3.20	-	-
22	Shahra Securities Pvt. Ltd.	1,36,320	1.96	-	1,36,320	1.96	-	-
	Total	25,34,530	36.37	-	25,34,530	36.37	-	-

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change during the year			
	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	No change during the year			

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 01.04.2014)	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 31.03.2015)	13,85,200	19.88	13,85,200	19.88
2.	GIRISH KUMAR PUSHKARLAL AGARWAL				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	5,11,200	7.34	5,11,200	7.34
3.	ANTARICA RESOURCES LIMITED				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	4,66,540	6.69	4,66,540	6.69
4.	PROMISE SECURITIES PVT. LIMITED				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	4,00,000	5.74	4,00,000	5.74
5.	SELWEL MINERALS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	2,58,350	3.71	2,58,350	3.71
6.	NEXGEN MINERALS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	2,41,650	3.47	2,41,650	3.47
7.	SHIELD TRADELINKS PRIVATE LIMITED				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	2,28,500	3.28	2,28,500	3.28
8.	GAGANDEEP EXPORT PVT. LTD.				
	At the beginning of the year (As on 01.04.2014)	1,50,000	2.15	1,50,000	2.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
	At the end of the year (As on 31.03.2015)	1,50,000	2.15	1,50,000	2.15
9.	JHELUM REAL ESTATE PVT. LTD.				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	1,00,000	1.43	1,00,000	1.43
10.	DEEPTI PROPERTIES PVT. LTD.				
	At the beginning of the year (As on 01.04.2014)	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 31.03.2015)	1,00,000	1.43	1,00,000	1.43

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 (Appointed on 15.07.2014)				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
2.	Mr. Virendra Kumar Gupta (Ceased on 22.05.2014)				
	At the beginning of the year (As on 01.04.2014)	600	0.01	600	0.01
	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 22.05.2014)	600	0.01	600	0.01
3.	Mr. Udesh Dassani				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
4.	Mr. Vijay Rathi				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
5.	Mr. Sartajsing Chhabra				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
6.	Mrs. Deepika Arora [Appointed on 16.03.2015]				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
7.	Mr. Vijay Agrawal (CFO) [Appointed on 01.07.2014 and Ceased on 01.03.2015]				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-
8.	Mr. Amit Jain (Company Secretary)				
	At the beginning of the year (As on 01.04.2014)	-	-	-	-
	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 31.03.2015)	-	-	-	-

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	911.29	6.00	-	917.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.01	-	-	3.01
Total (i+ii+iii)	914.30	6.00	-	920.30
Change in Indebtedness during the financial year				
* Addition	-	760.74	-	760.74
* Reduction	811.97	-	-	- 811.97
Net Change	- 811.97	760.74	-	- 51.23
Indebtedness at the end of the financial year				
i) Principal Amount	96.91	766.74	-	863.65
ii) Interest due but not paid	4.49	-	-	4.49
iii) Interest accrued but not due	0.93	-	-	0.93
Total (i+ii+iii)	102.33	766.74	-	869.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Virendra Kumar Gupta (Executive Director) [Ceased on 22.05.2014]	Mr. Yogender Mohan Sharma (Whole-time Director) [Appointed on 15.07.2014]	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,85,950	5,12,903	11,98,853
	(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)	6,85,950	5,12,903	11,98,853
	Ceiling as per the Act	Rs. 42,00,000 per annum as per section II of the Schedule V of the Companies Act, 2013.		

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Udesh Dassani	Mr. Sartajsing Chhabra	Mr. Vijay Rathi	Mrs. Deepika Arora	
1	Independent Directors					
	Fee for attending board committee meetings	10,000	-	10,000	-	29,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	9,000	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	10,000	9,000	10,000	-	29,000
	Total Managerial Remuneration (Total of A and B)*					12,27,853
	Overall Ceiling as per the Act**	Rs. 42,00,000 per annum as per section II of the Schedule V of the Companies Act, 2013.				

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vijay Agrawal (Chief Financial Officer) [Appointed on 01.07.2014 and ceased on 01.03.2015]	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	3,95,020	7,68,012	11,63,032
	(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	3,95,020	7,68,012	11,63,032

VI. 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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480

SARTAJ SING CHHABRA
Director
DIN: 05342507

Place: Indore

Dated: 14th August, 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industrial Structure and Developments

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

During the year 2014-15, the Company's performance was satisfactory as compared to last year. The Management is hopeful that Company's future is bright in the coming years.

Merchant Trading

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

Segment-wise or product-wise performance

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

- | | |
|------------------|---|
| Cylinders | - LPG Cylinders manufacturing and repairing |
| Merchant Trading | - Land, Skimmed Milk Powder, Coal and various commodities |

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

Outlook

The year 2014-15 continues to be a challenging year for the global economy as well as Indian economy. In spite of this fact, Company has increased its gross profit as compared to last year. The Management is hopeful that in future, the Company will grow its manufacturing and trading activities and will get good orders for the manufacturing of cylinders as well as repairing of old cylinders.

Risk and concerns

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

Internal control system and their adequacy

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

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

Financials

The performance of the Company for the financial year 2014-15 is summarized below:

Summarized Profit and Loss Account

Particulars	Rs. in Laacs	
	2014-15 (01.04.2014-31.03.2015)	2013-14 (01.04.2013-31.03.2014)
Sales and other Income	9,996.29	11,733.68
Gross Profit/ (Loss)	102.53	(1,081.39)
Depreciation	60.96	51.00
Profit/ (Loss) before tax	41.57	(1,132.39)
Provision for Taxation for the year	14.43	137.65
Profit/ (Loss) after Taxation	27.14	(1,270.04)
Balance brought forward from previous year	(411.68)	858.36
Adjustment of Depreciation as per schedule II of the Companies Act, 2013	(25.01)	-
Amount available for appropriation	(409.55)	(411.68)
APPROPRIATION		
Amount Carried to Balance sheet	(409.55)	(411.68)

Material development in Human Resources / Industrial Relations front

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

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

Cautionary Statement

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

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

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

In so far as compliance with the requirements of clause 49 of the Listing Agreement with the Indian stock exchanges is concerned, the Company is in full compliance with the norms and disclosures that have to be made on Corporate Governance format.

BOARD OF DIRECTORS

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he/ she is a Director.

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

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 31.03.15
		Board	Last AGM	Directorship	Committee Chairmanship	Committee Membership	
Mr. Virendra Kumar Gupta*	Whole-time Director	-	-	---	---	---	N.A.
Mr. Yogender Mohan Sharma**	Whole-time Director	7	No	1	1	2	N.A.
Mr. Vijay Rathi	Independent Director	5	Yes	1	3	1	Nil
Mr. Udesb Dassani	Independent Director	5	No	1	3	---	Nil
Mr. Sartajsing Chhabra	Non-Executive Director	7	Yes	2	2	---	Nil
Mrs. Deepika Arora***	Non-Executive Director	-	-				Nil

* Mr. Virendra Kumar Gupta ceased on 22.05.2014.

** Mr. Yogender Mohan Sharma appointed on 15.07.2014

*** Mrs. Deepika Arora appointed on 16.03.2015

BOARD PROCEDURE

During the financial year 2014-15, the Board of Directors met on the following dates: 30th May, 2014; 25th June, 2014; 15th July, 2014; 14th August, 2014; 27th September, 2014; 14th November, 2014; 12th December, 2014; 14th February, 2015; 28th February, 2015 and 16th March, 2015. The gap between two meetings did not exceed one hundred twenty days, as mentioned in clause 49 of the listing agreement. The dates of meetings were generally decided in advance. The information as mentioned in Annexure X to Clause 49 of the Listing Agreement has been placed before the Board of Directors for its consideration.

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

AUDIT COMMITTEE

The Company has an Audit Committee in line with the provisions of Clause 49 of the Listing Agreement entered into with the stock exchanges read with Section 177 of the Companies Act, 2013.

a) Members of Committee:

The Composition of Audit Committee as on 31.03.2015 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 Clause 49 of the Listing Agreement with the stock exchanges read with the Section 177 of the Companies Act, 2013.

c) The Chairman of the Audit Committee was present in previous Annual General Meeting held on 10th September, 2014 to answer member's queries.

d) Dates of the Audit Committee meetings and attendance:

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

30th May, 2014; 25th June, 2014; 14th August, 2014; 27th September, 2014; 14th November, 2014 and 14th February, 2015.

Mr. Vijay Rathi and Mr. Udesb Dassani have attended six meetings, Mr. Yogender Mohan Sharma has attended four meetings and Mr. Sartajsing Chhabra (ceased from membership on 15.07.2014) has attended one meetings.

B) NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

a) Members of Committee:

The Composition of Nomination and Remuneration Committee as on 31.03.2015 is as under:

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

b) Brief terms of reference:

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

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

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

25th June, 2014 and 15th July, 2014.

Mr. Vijay Rathi has attended two meetings, Mr. Udesb Dassani has attended two meetings and Mr. Sartajsing Chhabra has attended two meetings.

- d) The details relating to remuneration of Directors, as required under Clause 49 of the Listing Agreement, 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 Directors Report.

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The composition of the Stakeholders' Relationship Committee and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

- a) Members of Committee:

The Composition of Stakeholders' Relationship Committee as on 31.03.2015 is as under:

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

- b) Name and designation of compliance officer: Mr. Amit Jain, Company Secretary.
- c) During the financial year 2014-2015, the committee held four meetings.
- d) No investor complaints were received during the financial year 2014-15. All valid share transfers received during the year 2014-15 have been acted upon by the Company and as on 31st March, 2015 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 31.03.2015 is as under:

Mr. Yogender Mohan Sharma	Chairman
Mr. Sartajsing Chhabra	Member
Mr. Vijay Agrawal	Member (upto 01.03.2015)

b) The Committee met one time during the year.

DETAILS OF REMUNERATION TO DIRECTORS

A. REMUNERATION TO EXECUTIVE DIRECTORS

The particulars of remuneration of executive director during the financial year 2014-15 are as under:

Name	Designation	Salary	Perquisites	Total
Mr. Virendra Kumar Gupta (Ceased on 22.05.2014)	Executive Director	6,85,950	-	6,85,950
Mr. Yogender Mohan Sharma (Appointed w.e.f. 15.07.2014)	Whole-time Director	5,12,903	-	5,12,903

As on 31st March, 2015, 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 2014-15.

The sitting fees paid to all Non-Executive Directors for attending meetings of the Board and/or Committee thereof for the year ended 31.03.2015 is as follows:- Mr. Vijay Rathi – Rs. 10,000/- , Mr. Udesb Dassani – Rs. 10,000/- and Mr. Sartajsing Chhabra – Rs. 9000/-.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

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

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

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

- iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

GENERAL BODY MEETINGS

Annual General Meetings

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

YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2011-12	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - (MH) – 400018	29/09/2012	02.30 p.m.	No Special Resolution passed
2012-13	302, Devkrupa Building, 28, Raichur Street, Mumbai- (MH) – 400009	26/09/2013	12.30 p.m.	Special Resolution passed for re-appointment of Mr. Virendra Kumar Gupta as an Executive Director of the Company.
2013-14	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009	26/09/2013	3.00 p.m.	Special Resolution passed for i. Appointment of Mr. Yogender Mohan Sharma as Whole-time Director of the Company. ii. Authorization to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013. iii. Authorization to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013.

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

Extra-ordinary General Meeting

During the financial year 2014-15, 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

RECONCILIATION OF SHARE CAPITAL AUDIT

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

DISCLOSURES

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

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

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

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

The Company has complied with mandatory requirements of Clause 49 of the Listing Agreement.

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

22nd September, 2015 at 04:30 p.m. at
Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder
Mumbai (MH) - 400 009

Financial Year

01st April, 2014 – 31st March, 2015

Financial Calendar

Financial Reporting (tentative) for Quarter ending

June 30, 2015	- August, 2015
September 30, 2015	- November, 2015
December 31, 2015	- February, 2016
March 31, 2016	- May, 2016

Date of book closure

16th September, 2015 to 22nd September, 2015 (Both days inclusive)

Listing on Stock Exchanges at

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

The Madhya Pradesh Stock Exchange Ltd. (MPSE)

(As per the Securities and Exchange Board of India (SEBI) order dated 09th June, 2015, the Madhya Pradesh Stock Exchange Ltd. has been de-recognized, therefore, the Company is not listed with the Madhya Pradesh Stock Exchange Ltd. w.e.f. 09th June, 2015.)

Listing fees

Paid to the Bombay Stock Exchange (BSE) and the Madhya Pradesh Stock Exchange (MPSE) for the financial year 2014-15.

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, 2014 to 31st March, 2015 are given below:

Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-14	---	---
May-14	---	---
June-14	8.79	5.20
July-14	8.37	5.17
August-14	4.92	4.92
September-14	4.68	4.68
October-14	4.73	4.07
November-14	5.65	3.68
December-14	---	---
January-15	5.37	5.37
February-15	---	---
March -15	---	---

Investors' correspondence may be addressed to

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

Distribution of Equity Shareholding and its pattern as on 31st March, 2015

Distribution of Equity Shareholding 31.03.2015			
Share Class		No. of Equity Shares	
No. of Shares	No. of Holders	No. of shares held	Shareholding %
Up to 500	435	1,65,803	2.38
501-1000	155	1,28,691	1.85
1001-2000	13	19,152	0.27
2001-3000	9	22,249	0.32
3001-4000	2	6,650	0.09
4001-5000	3	13,250	0.19
5001-10000	1	9,000	0.13
10001 and above	30	66,04,055	94.77
Total	648	69,68,850	100.00

Shareholding Pattern		
Category	No. of Shares	Shareholding %
Promoters	25,34,530	36.37
Domestic Corporate Bodies	30,77,650	44.16
Indian Public	8,88,295	12.75
NRIs/OCBs/FIIs	4,68,375	6.72
Total	69,68,850	100.00

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

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

Dematerialization of shares and Liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE 074 H01012. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories, holding Company's share in demat mode. As on 31st March, 2015 out of 69,68,850 equity shares of Rs. 10/- each, 57,17,515 equity shares which is 82.04% of total equity are now held in electronic form.

Share transfer system

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

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

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

Share Price Performance in comparison to broad based indices – BSE Sensex as on March 31, 2015

	BSE Sensex (% Change)	Sarthak Industries Ltd. Price (% Change)
FY 2014-15	24.89%	-1.29%

Plant Locations

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

Address for correspondence

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

Email: sarthakindustries@yahoo.in

To
The Members of
SARTHAK INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Sarthak Industries Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the listing agreement.

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

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

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

For **ASHOK KHASGIWALA & CO.,**
Chartered Accountants
(Firm Regn. No.: 0743C)

Place: Indore
Dated: 14th August, 2015

CA AVINASH BAXI
Partner
M. No. 79722

Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sarthak Industries Limited ("The Company") which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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, read with rule 7 of the Companies (Accounts) Rules, 2014. This Responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state

of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - d) In our opinion, the 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 2015 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
 - f) 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 be best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement – refer note 27 contingent liabilities and commitments to the financial statement;
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

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

CA Avinash Baxi
Partner
M.No. 79722

Place : Indore
Date : 30th May, 2015

Annexure 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 March 31, 2015.

- 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.
- ii. In respect of its Inventories:
 - a. The inventories has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. According to the information and explanations given to us, the Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence the provisions of para 3 clauses iii (a) and iii (b) of the said Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have not observed any continuing failure to correct major weakness in internal control system in respect of these areas.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules, framed there under. Hence the provisions of para 3 clause (v) of the Order is not applicable to the company for the year under audit.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues :

- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable except professional tax of Rs. 15440.
- b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, duties of customs, wealth tax, duties of excise have not been deposited with appropriate authorities on account of any dispute except detailed as under :

Name of the Statute	Nature of Dues	Amount Involved Rs.	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	729731	2009-10 & 2010-11	MP Commercial Tax Appellate Board
Bombay Sales Tax Act, 1959	Sales Tax	9231996	2001-02	Maharastra Sales Tax Tribunal Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	18631908	2002-03	Maharastra Sales Tax Tribunal Mumbai.
Competition Commission of India	MRT Practice	38974489	2007-08 to 09-10	Competition Appellate Tribunal, New Delhi
M.P. Vat Act, 2002	Sales Tax	313051	2011-12	Dy. Comm. of Comm. Tax (Appeals)
Income Tax Act, 1961	Income Tax	7355411	FY 2010-11	Comm. Of I. Tax (Appeal)

- c) There has been no delay in transferring amounts, as required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company have accumulated losses of Rs. 40955462 as at 31st March 2015. It has not incurred cash losses during the financial year under audit, however it had incurred cash losses in the immediately preceding financial year.
- ix. 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 dues to a Financial Institutions or Banks or debenture holders as at 31st March, 2015.
- x. The Company has given guarantee for loans taken by Others from Bank. In our opinion and according to the information and explanations given to us the terms and condition of the guarantee given are not prima facie prejudicial to the interest of the company.
- xi. In our opinion and according to the information and explanations given to us, the company has not obtained any term loan during the year.
- xii. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

CA Avinash Baxi
Partner
M.No. 79722

Place : Indore
Date : 30th May, 2015

SARTHAK INDUSTRIES LIMITED
Balance Sheet as at 31st March, 2015

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	1	69688500	69688500
(b) Reserves and surplus	2	232853256	232640202
		302541756	302328702
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	2446207	7597594
(b) Long-term provisions	4	1727561	1988958
		4173768	9586552
(3) Current Liabilities			
(a) Short-term borrowings	5	76673627	78099906
(b) Trade payables	6	530200716	473433506
(c) Other current liabilities	7	19170659	17953295
(d) Short-term provisions	8	288715	688859
		626333717	570175566
TOTAL		933049241	882090820
II. ASSETS			
(1) Non-Current Assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	9	229767509	239944204
(ii) Capital work-in-progress		739174	739174
(b) Non-current investments	10	1620190	1653330
(c) Deferred tax assets (net)	11	2817326	917056
(d) Long term loans and advances	12	34055619	32169691
(e) Other non-current assets	13	3700070	206625
		272699888	275630080
(2) Current Assets			
(a) Inventories	14	65943553	209309134
(b) Trade receivables	15	303859659	139655104
(c) Cash and bank balances	16	21846548	16109197
(d) Short-term loans and advances	17	268198734	240528476
(e) Other current assets	18	500859	858828
		660349353	606460739
TOTAL		933049241	882090820
Notes forming an intergral part of the financial statements	1 to 44		
Significant Accounting Policies	45		
As per our report of even date For Ashok Khasgiwala & Co. Chartered Accountants		For and on behalf of Board of Directors	
CA Avinash Baxi Partner M. No. : 79722 Place : Indore Dated : 30th May, 2015		Yogender Mohan Sharma Whole Time Director DIN: 3644480	Sartaj Singh Chhabra Director DIN: 05342507
		CS Amit Jain Company Secretary	CA Kailash Agarwal Chief Financial Officer

SARTHAK INDUSTRIES LIMITED
Statement of Profit and Loss for the year ended on 31st March, 2015

(Amount in Rs.)

Particulars	Note No.	For the year 2014-15	For the year 2013-14
I. INCOME			
a. Revenue from operations	19	977045668	1195940665
Less : Excise duty		19003784	27729431
Revenue from operations (Net)		958041884	1168211234
b. Other income	20	41587159	5157141
Total Revenue		999629043	1173368375
II. EXPENSES			
a. Cost of materials consumed	21	128354281	190230775
b. Purchases of stock-in-trade	22	660429477	1118402854
c. Changes in inventories of finished goods, work in progress and stock-in-trade	23	145775796	(196106869)
d. Employee benefits expense	24	20045659	22479736
e. Finance costs	25	10551637	11027091
f. Depreciation expenses	9	6096138	5100054
g. Other expenses	26	24218761	135473381
Total Expenses		995471749	1286607022
III. Profit/(Loss) before exceptional and extraordinary items and tax(I-II)		4157294	(113238647)
IV. Exceptional/Extraordinary Items		0	0
V. Profit/(Loss) before tax (III - IV)		4157294	(113238647)
VI. Tax expense:			
a. Current tax		1275000	7650000
b. Deferred tax		(612257)	(180396)
C. Income tax for earlier year		780121	6296003
		1442864	13765607
VII. Profit/(Loss) for the year (V - VI)		2714430	(127004254)
VIII. Earning per Equity share: (Face value of Rs 10/- each)			
(1) Basic		0.39	(18.22)
(2) Diluted		0.39	(18.22)
Notes forming an intergral part of the financial statements	1 to 44		
Significant Accounting Policies	45		
As per our report of even date For Ashok Khasgiwala & Co. Chartered Accountants		For and on behalf of Board of Directors	
CA Avinash Baxi (Partner) M. No. : 79722	Yogender Mohan Sharma Whole Time Director DIN: 3644480	Sartaj Singh Chhabra Director DIN: 05342507	
Place : Indore Dated : 30th May, 2015	CS Amit Jain Company Secretary	CA Kailash Agarwal Chief Financial Officer	

SARTHAK INDUSTRIES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in Rs.)

Particulars	2014-15	2013-14
A Cash flow from Operating activities		
a. Net Profit/ (Loss) before Tax & Extraordinary item	4157294	(113238647)
Adjustment for :		
Depreciation	6096138	5100054
Finance costs	10551637	11027091
Interest Received	(17027352)	(1564309)
Dividend Received	(117842)	(118642)
Loss / (Profit) on sale of Fixed assets	(16816099)	31688743
Provision for diminution in the value of investments	33140	0
Loss on sale of Investments	0	12779939
b. Operating profit/(loss) before working capital changes	(13123084)	(54325771)
Adjustment for :		
Trade and Other receivables	(196855630)	40669700
Inventories	143365581	(178637403)
Trade and other payables	56108964	(4371395)
c. Cash generated from Operations	(10504169)	(196664869)
Direct Taxes (paid)/Refund	(2095707)	(12385405)
d. Cash flow before Extraordinary item		
Extraordinary item	0	0
Net Cash Flow from Operating activities	(12599876)	(209050274)
B. Cash flow from investing activities		
Purchase of Tangible Fixed Assets	(183373)	(2560561)
Sale of Tangible Fixed Assets	17290640	136875257
Sale of Investments	0	12107590
Interest Received	17027352	1564309
Dividend Received	117842	118642
Change in Bank balances not considered as cash and cash Equivalent	(8675763)	94005
Net Cash Flow from Investing activities	25576698	148199242
C. Cash flow from Financing activities		
Proceeds from Borrowings	76073721	77500000
Repayment of Borrowings	(81437318)	(18202868)
Finance costs	(10551637)	(11027091)
Net Cash flow from Financing activities	(15915234)	48270041
D. Net Increase / (Decrease)in Cash and Cash Equivalent	(2938412)	(12580991)
Cash and Cash Equivalent at the beginning of the year	13657597	26238588
Cash and Cash Equivalent at the end of the year	10719185	13657597
Net Increase / (Decrease)in Cash and Cash Equivalent	(2938412)	(12580991)

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

For and on behalf of Board of Directors

CA Avinash Baxi
Partner

Membership No. 79722

Date : May 30, 2015

Place : Indore

Yogender Mohan Sharma
Whole Time Director
DIN: 3644480

CS Amit Jain
Company Secretary

Sartaj Singh Chhabra
Director
DIN: 05342507

CA Kailash Agarwal
Chief Financial Officer

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 1. Share Capital		
Authorized		
1,10,00,000 (Previous Year 1,10,00,000) Equity Share of Rs. 10 each	110000000	110000000
1,00,000 (Previous Year 1,00,000) Preference Share of Rs.100 each	10000000	10000000
Total	120000000	120000000
Issued, Subscribed and fully Paid up		
69,68,850 (Previous Year 69,68,850) Equity Shares of Rs 10 Each fully paid up	69688500	69688500
Total	69688500	69688500

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

Particulars	As at 31st March,2015		As at 31st March,2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at beginning of the year	6968850	69688500	6968850	69688500
Add: Shares issued during the year	-	-	-	-
Equity Shares at end of the year	6968850	69688500	6968850	69688500

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

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

Name of the Shareholders	As at 31st March,2015		As at 31st March,2014	
	No of shares held	% Held	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88	1385200	19.88
Promise Securities Pvt. Ltd.	400000	5.74	400000	5.74
Girish Kumar Pushkarlal Agarwal	511200	7.34	511200	7.34
Antarica Resource Ltd.	466540	6.69	466540	6.69
Manish Shakra	910000	13.06	910000	13.06
Mahakosh Papers Pvt. Ltd.	375000	5.38	375000	5.38

1.4 Pursuant to amalgamation of Gloryshine Property Developers Pvt Ltd (Transferor Company) into and with the company, approved by the shareholders of the company and sanctioned by Hon'ble High Court at Mumbai on 21st October 2011, the company has issued and allotted 14,00,000 equity shares of Rs. 10 each fully paid up on 5th December 2011, to the shareholders of transferor company for consideration otherwise than in cash.

1.5 During the period of five years immediately preceding the Balance Sheet date as at 31st March, 2015, the company has not:

- allotted any shares as fully paid up by way of bonus shares,
- bought back any shares.

Note 2 Reserves and Surplus**Capital Reserve**

Balance as at beginning of the year	4536358	4536358
Add: Addition during the year	0	0
Balance as at end of the year	4536358	4536358

Securities Premium Account

Balance as at beginning of the year	267623752	267623752
Add : Received during the year	0	0
Balance as at end of the year	267623752	267623752

General Reserve

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

Surplus in Statement of Profit and Loss

Balance as at beginning of the year	(41168516)	85835738
Less - Adjustment of Depreciation as per schedule II of Companies Act, 2013 (Net of tax expense of Rs. 12,88,013) (Refer note no. 9)	2501376	0
	(43669892)	85835738
Add: Profit/(Loss) for the year	2714430	(127004254)
Balance as at end of the year	(40955462)	(41168516)
Total	232853256	232640202

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 3 Long Term Borrowings		
Term Loans		
a. Secured		
From Banks	623322	2572389
Less : Current Maturity of Long term debts (Refer note 7)	623322	1949068
	0	623321
b. Unsecured		
From others		
Indore Development Authority (IDA)	9068275	11056526
Less : Amount due but not paid	2094003	0
Less : Current Maturity of Long term debts (Refer note 7)	4528065	4082253
	2446207	6974273
Total	2446207	7597594

Note :

a. Term loan from HDFC bank is secured by charge on the specific asset acquired from loan.

The loan is repayable as under:

Sanctioned amount Rs 17,50,000 outstanding Rs. 2,79,669 (Previous Year Rs. 6,69,840) is repayable in 60 monthly installments (EMI) of Rs. 36,115 (including Interest) commencing from December 2010 and last installment is due on November 2015.

Sanctioned amount Rs 16,50,000 outstanding Rs. 33,370 (Previous Year Rs. 4,16,599) is repayable in 60 monthly installments (EMI) of Rs. 33,595 (including Interest) commencing from May 2010 and last installment is due on April 2015.

Sanctioned amount Rs 50,85,000 outstanding amount Rs. 3,10,283 (Previous Year Rs. 14,85,951) is repayable in 60 equal monthly installments (EMI) of Rs. 1,04,940 (including Interest) commencing from July 2010 and last installment is due on June 2015.

b. Unsecured Loan taken from Indore Development Authority (IDA) was Rs. 3,12,56,130 and outstanding amount is Rs. 90,68,275 (Previous Year Rs. 1,10,56,526). Loan taken from IDA is repayable in 40 quarterly installments (EMI) of Rs. 12,71,480 (including interest) commencing from November 2006 and last installment is due on August 2016.

During the year Company has defaulted in repayment of term loan to IDA of Rs. 20,94,003 as at 31.03.2015, out of which Rs. 10,33,438 is outstanding from November, 2014 and Rs. 10,60,565 is outstanding from February, 2015.

Note 4 Long Term Provisions

Provision for Employee benefit
(Refer Note 8 for disclosure as per AS -15)

	1727561	1988958
Total	1727561	1988958

Note 5 Short Term Borrowings**Secured**

Loans repayable on demand
Working Capital Loan from Bank

	0	77500000
Unsecured		
From Bank		
- Buyers Credit	76073721	0
From Others		
- Security Deposits	599906	599906
Total	76673627	78099906

1. Working capital loan from HDFC Bank Rs. Nil (Previous year Rs. 7,75,00,000) was secured against pledge of Stock in trade with the bank as security and personal guarantee by others.

Note 6 Trade Payables

Due to Micro, Small and Medium Enterprises
Due to others

	-	-
	530200716	473433506
Total	530200716	473433506

Note :

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

a. Trade Payables includes Rs. Nil (Previous Year Nil) amount due to Micro Small and Medium Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
-------------	------------------------------	------------------------------

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

Particulars	As at 31st March, 2015	As at 31st March, 2014
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-

Note 7 Other Current Liabilities

Current Maturities of Long Term Debts (Refer note 3 for details of securities)	5151387	6031321
Interest accrued but not due on Borrowings	92818	300581
Term loan and interest due but not paid	2542960	0
Other Payables		
Statutory Dues	3878581	2829161
Advances from Customers	132054	103531
Liabilities for Expenses	7372859	8688700
Total	19170659	17953295

Note 8 Short Term Provisions

Provision for Employee benefits	288715	688859
Total	288715	688859

Disclosure as per AS-15 (Revised) "Employee Benefits"**(A) GRATUITY**

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

Particulars	2014-15 Gratuity Rs.	2013-14 Gratuity Rs.
I. Change in Benefit Obligation		
Liability at the beginning of the year	2117625	2119938
Interest Cost	175182	169595
Current Service Cost	90282	90435
Past Service Cost (Non Vested Benefit)	0	0
Past Service Cost (Vested Benefit)	0	0
Liability Transfer in	0	0
Liability transfer out	0	0
Benefit Paid	(998654)	(75413)
Actuarial (Gain)/Loss on obligations	320145	(186930)
Liability at the end of the year	1704580	2117625
II. Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	0	0
Expected Return on Plan Assets	0	0
Contributions by Employer	998654	75413
Transfer from other company	0	0
Transfer to other company	0	0
Benefit Paid	(998654)	(75413)
Actuarial (Gain)/Loss on Plan Assets	0	0
Fair Value of Plan Assets at the end of the year	0	0
Total Actuarial (Gain)/Loss To Be Recognized	320145	(186930)
III. Amount Recognized in the Balance Sheet		
Liability at the end of the year	1704580	2117625
Fair Value of Plan Assets at the end of the year	0	0
Difference	1704580	2117625
Unrecognized Past Service Cost	0	0
Un recognized Transition Liability	0	0
Amount Recognized in the Balance Sheet	1704580	2117625

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
IV. Expenses Recognized in Profit and Loss A/c		
Current Service Cost	90282	90435
Interest Cost	175182	169595
Expected Return on Plan Assets	0	0
Past Service Cost (Non Vested Benefit) Recognized	0	0
Past Service Cost (Vested Benefit) Recognized	0	0
Recognition of Transition Liability	0	0
Actuarial (Gain)/Loss	320145	(186930)
Expense Recognized in P& L	585609	73100
V Assets Information		
Government of India Assets	0	0
Corporate Bonds	0	0
Special Deposits Scheme	0	0
Equity Shares of Listed Companies	0	0
Property	0	0
Other	0	0
Insurer Managed Funds	0	0
Total	0	0
VI. Balance Sheet Reconciliation		
Opening Net Liability	2117625	2119938
Expense as above	585609	73100
Employers Contribution	0	0
Benefit Paid	(998654)	(75413)
Amount Recognized in Balance Sheet	1704580	2117625
VII. Assumptions		
Discount Rate Current	7.95%	9.25%
Rate of Return on Plan Assets Current	0.00%	0.00%
Salary Escalation Current	5.00%	5.00%

(ii) Expected contribution for defined benefit plan for the next financial year would be Rs. 2,43,031 (Previous Year Rs. 6,28,093).

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

Particulars	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012	31 st March 2011
Defined Benefit Obligation	1704580	2117625	2119938	1766825	1547506
Fair Value of Plan Assets	0	0	0	0	0
Surplus/ (Deficit) in plan	(1704580)	(2117625)	(2119938)	(1766825)	(1547506)
Experience Adjustments on Plan Liabilities Loss / (Gain)	183304	(17474)	0	(64315)	(277784)
Experience Adjustments on Plan Assets (Loss) / Gain	0	0	0	0	0

Experience adjustments have been disclosed for the years for which information available

(B) 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. 3,11,696 (Previous Year Rs. 5,60,192).

SARTHAK INDUSTRIES LIMITED
Notes forming part of the Financial Statements for the year ended 31st March, 2015

Note 9 Fixed Assets

(Amount in Rs.)

Name of the Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 1st April, 14	Additions / Transferred during the year	Deductions	As at 31st March, 15	Up to 31st March, 14	For the year	Adjustment in Retained Earnings*	Adjustment	Up to 31st March, 15	As at 31st March, 15	As at 31st March, 14
Tangible Assts											
Land :											
Free Hold	142555094	-	-	142555094	-	-	-	-	-	142555094	142555094
Lease Hold	40288336	-	-	40288336	33815	9897	-	-	43712	40244624	40254521
Buildings	56328918	-	-	56328918	15600038	2094070	80430	-	17774538	38554380	40728880
Plant & Machinery	38073047	-	5125000	32948047	27557208	1904663	3645361	4868750	28238482	4709565	10515839
Furniture & Fixtures	587378	-	-	587378	421343	53327	-	-	474670	112708	166035
Office Equipments	1356140	122800	-	1478940	1058520	189937	63598	-	1312055	166885	297620
Vehicles	17701508	60573	638051	17124030	12275293	1844244	-	419760	13699777	3424253	5426215
Current Year	296890421	183373	5763051	291310743	56946217	6096138	3789389	5288510	61543234	229767509	239944204
Previous Year	462858806	2595615	168564000	296890421	51846163	5100054	0	-	56946217	239944204	-

* Pursuant to enactment of new Companies Act, 2013 and as per the Schedule II of the Companies Act 2013; with effect from 1st April, 2014 company has revised the useful life of fixed assets for providing depreciation on it. Accordingly, carrying amount as on 1st April, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Due to this change the depreciation for the year ended 31st March, 2015 is higher by Rs. 14,42,675 and profit before tax for the year ended 31st March, 2015 is lower to the extent of Rs. 14,42,675. In accordance with transitional provision in respect of assets whose useful life is already exhausted as on 1st April, 2014, depreciation of Rs. 25,01,376 (Net of tax expense of Rs. 12,88,013) has been recognized in the opening balance of retained earnings in accordance with the requirements of Schedule II of the Act.

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 10 Non- Current Investments		
A. Investment in Equity Shares		
I. Quoted (Other Than Trade)		
195300 (Previous Year 195300) Equity Shares of Ruchi Infrastructure Ltd.of Rs.1/- each fully paid up	470075	470075
5000 (Previous Year 5000) Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up	36000	36000
1600 (Previous Year 1600) Equity Shares of National Steel & Agro Industries Ltd.of Rs.10/- each fully paid up	65272	65272
Less : Provision for diminution in value of investments	43192	10784
	22080	54488
100 (Previous Year 100) Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10/- each fully paid up	2400	2400
Less : Provision for diminution in value of investments	1851	2095
	549	305
108800 (Previous Year 108800) Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up	1022000	1022000
500 (Previous Year 500) Equity shares of Kernex Micro Ltd. of Rs.10/- each fully paid up	122233	122233
Less : Provision for diminution in value of investments	105708	104732
	16525	17501
	1567229	1600369
II. Unquoted (Other Than Trade)		
1800 (Previous Year 1800) Equity shares of Vaishnavi Insurance Consultants Pvt. Ltd. of Rs. 5/- each fully paid up	9000	9000
	9000	9000
B. Investments in Government Securities		
National Saving Certificate VIII issue (Deposited with Govt. Department)	43500	43500
	43500	43500
C. Investment in Partnership Firms		
Balance in Capital account of "Giriraj Buildcon" (Refer note "35")	461	461
	461	461
Total (A+B+C)	1620190	1653330
Aggregate Amount of Quoted investments	1717980	1717980
Aggregate Amount of Unquoted investments	9,000	9,000
Market Value of investments	4,315,810	2,966,101
Aggregate Provision for diminution in value of investments	150,751	117,611
Aggregate Amount of Unquoted investments- In Government Securities	43,500	43,500
Aggregate Amount of investments- In Partnership Firm	461	461
Note 11 Deferred Tax Assets (Net)		
Deferred Tax Assets		
Due to Depreciation difference on Fixed Assets	2131994	6866
Other Timing Difference	685332	910190
Deferred Tax Assets/(Liabilities) (Net)	2817326	917056
Note 12 Long Term Loans and Advances		
(Unsecured, considered good)		
Security Deposits	30461025	28615683
Others	3594594	3554008
Advance Income Tax (net of Provision for income tax of Rs. 1,78,22,172 Previous Year Rs. 1,98,60,632)		
Total	34055619	32169691

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 13 Other Non-Current Asset		
Interest accrued on deposits	338551	12620
Balance with Bank in Deposit account having maturity more than 12 months		
Earmarked against credit facility	100000	0
Others	3261519	194005
	3700070	206625
Note 14 Inventories		
Raw Materials	7990943	5610618
Work in Progress	3748058	4015861
Finished Goods	4875126	8336235
Stock In Trade	46341116	188388000
Stores and Spares	2988310	2958420
Total	65943553	209309134
(Valued at lower of Cost or Net realizable value, except for scrap valued at net realizable value.)		
Details of Raw Materials		
H.R. Coil	3563728	1583556
Others	4427215	4027062
Total	7990943	5610618
Details of Work in Progress		
Semi finished LPG Cylinders	3748058	4015861
	3748058	4015861
Details of Finished Goods		
LPG Cylinders	2369292	7906065
Others	2505834	430170
Total	4875126	8336235
Details of Stock in Trade		
Skimmed Milk Powder	46002780	188388000
Iron & Steel	338336	0
	46341116	188388000
Note 15 Trade Receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	68793531	33461362
Other receivables	235066128	106193742
Total	303859659	139655104
Note 16 Cash and Bank Balances		
a. Cash and Cash Equivalents		
i. Balances with Banks		
in Current Accounts	2751517	2286128
in Deposit Accounts with maturity up to 3 months		
Earmarked against credit facility	2965000	10627000
Others	0	12000
ii. Cash on hand	5002668	732469
	10719185	13657597
b. Other Bank Balances		
In Deposit Accounts		
having maturity more than 3 months up to 12 months		
Earmarked against credit facility	11124628	-
Others	2735	2451600
	11127363	2451600
having maturity more than 12 months	3361519	194005
Less : Shown under other non current assets (Refer note 13)	3361519	194005
	0	0
Total	21846548	16109197
Note 17 Short Term Loans and Advances		
(Unsecured considered good)		
Others		
Loans and Advances to Employees	919496	892200
Balance with Government Authorities	7402794	9883342
Advance to Suppliers	3370993	3326842
Other Advances recoverable in cash or in kind for value to be received	256505451	226426093
Total	268198734	240528476

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 18 Other Current Assets		
Interest accrued on deposits	500859	858828
Total	500859	858828

Note 19 Revenue from Operations

Sales of Products	970611320	1183830143
Sale of Services	1759288	6557354
Other Operating Revenues	4675060	5553168
	977045668	1195940665
Less : Excise duty	19003784	27729431
Revenue from operations (net)	958041884	1168211234

Details of Sales of product

LPG Cylinders	163184080	233664420
Skimmed Milk Powder	272712041	611942750
Chana	256215000	163819200
Dairy Whitener	141645000	0
Iron & Steel	127236570	0
Crude Palm Oil	0	150551650
Other	9618629	23852123
	970611320	1183830143

Note 20 Other Income

Interest Received	17027352	1564309
Dividend Received on long term investments	117842	118642
Other Non operating income		
Rent Received	3057852	2912240
Profit on sale of Fixed Assets	16816099	0
Miscellaneous Income	4568014	561950
Total	41587159	5157141

Note 21 Cost of Materials Consumed**Raw Materials Consumed**

128354281	190230775
128354281	190230775

Raw Materials Consumed

H.R.Coil	109263127	144307407
Others	19091154	45923368
Total	128354281	190230775

	FY 2014-15		FY 2013-14	
	Value	%	Value	%
Raw Materials Consumed				
Imported	0	0	0	0
Indigenous	128354281	100	190230775	100

Note 22 Purchases of Stock In Trade

Purchases of traded goods	660429477	1118402854
Total	660429477	1118402854

Details of Purchases of Traded Goods

Skimmed Milk Powder	133000000	800239550
Crude Palm Oil	0	149988745
Chana	256155000	163867200
Dairy Whitener	141578500	0
Iron & Steel	129695977	0
Others	0	4307359
Total	660429477	1118402854

Note 23 Changes in inventories of Finished Goods**Work-in-Progress and Stock-in-Trade****Closing stocks**

Finished Goods	4875126	8336235
Work in Progress	3748058	4015861
Stock in Trade	46341116	188388000
	54964300	200740096

Less : Opening Stocks

Finished Goods	8336235	2444141
Work in Progress	4015861	2189086
Stock in Trade	188388000	0
	200740096	4633227

Changes in Inventories

145775796	(196106869)
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SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 24 Employee Benefits Expense		
Salaries and Wages	19427860	21788617
Contribution to Provident and other fund	483385	551362
Staff Welfare Expenses	134414	139757
Total	20045659	22479736
Note 25 Finance Costs		
Interest Expenses	7695887	9588799
Other Borrowing costs	2843590	1438292
Net Loss on Foreign Currency Transactions and Translations	12160	0
Total	10551637	11027091
Note 26 Other Expenses		
Power and Fuel	4550516	5437931
Stores, spares and consumables	2824066	4437488
Rent	1628442	1103241
Repairs to Machinery	723618	1769604
Repairs to Buildings	230815	329974
Insurance	533070	441516
Rates & Taxes excluding taxes on income	1288270	2584665
Factory Expenses	143588	318746
Legal and Professional Charges	2026318	2685681
Travelling & Conveyance Expenses	888895	1360478
Vehicle Expenses	1051448	662830
Loss on Commodity Business	325459	57831865
Loss on Sale of Shares	0	12779939
Provision for diminution in the value of investments	33140	0
Net Loss on Foreign Currency Transactions and Translations	2856245	0
Loss on Sales of Fixed Assets	0	31688743
Miscellaneous Expenses	5114871	12040680
Total	24218761	135473381

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

(Amount in Rs.)

27 Contingent Liabilities and Commitments**A. Contingent Liabilities**

- a) Sales Tax, CCI and other demand disputed in appeals
(Amount deposited Rs. 19963039 (Previous Year Rs. 19964039))
- b) Corporate Guarantee given on behalf of others

B. Commitments

2014-2015	2013-2014
75236586	68567037
90000000	90000000
Nil	Nil

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

29 Earlier years accumulated unprovided Depreciation on Fixed Assets Rs. Nil (Previous year Rs. 4044436)

30 Trade Payable includes Bills payable Rs. 61249533 (Previous Year Rs. 85422553).

31 Leases : Operating Leases

Where Company is lessee

The Company has taken various premises under operating leases with these are renewable on periodic basis at the option of both lessor and lessee. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs.1628442 (Pre.Year Rs.1103241). 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 operating leases by the Company are included in fixed assets. The lease rentals recognized as income in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit and loss. Initial direct costs are recognized immediately in the statement of Profit and loss. The company has not recognized any contingent rent as income in the statement of profit and loss.

The aggregate amount of operating lease income recognized in the Statement of Profit and Loss is Rs. 30,57,852 (Previous Year Rs. 29,12,240).

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

33 Earning Per Share (EPS) :-

(Amount in Rs.)

Net Profit after tax
Nominal Value of each equity share
Weighted average no. of shares
Basic and diluted earning per share

2014-15	2013-14
2714430	(127004254)
10	10
6968850	6968850
0.39	(18.22)

34 Payment to auditors (including service tax) :

(Amount in Rs.)

Audit Fees
Tax Audit Fees
Other Services
Cost Audit Fees

2014-15	2013-14
140450	112360
28090	28090
45505	27809
20000	5000

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015****35** Particulars in respect of Investment in the Capital of Partnership firms :-**i) M/s Giriraj Buildcon**

Name of the Partners	2014-15		2013-14	
	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss
Beejay Realtors Pvt. Ltd.	460	0.05%	460	0.05%
Sarthak Industries Ltd.	461	0.05%	461	0.05%
Ashok Kumar Jain	92000	10.00%	0	0
Kiran Jain	184000	20.00%	0	0
Arpit Realty Holding Pvt Ltd	30360	3.30%	306360	33.30%
Mamta Rathi	552000	60.00%	0	0
Ultratech Energy Ltd	60720	6.60%	612720	66.60%

36 Segment Reporting :

	2014-15			(Amount in Rs.)
	L.P.G. Cylinders	Merchant Trading	Other/ Unallocable	Total Amount
(a) Primary Segment - Business				
Segment Revenue	177049372	797808611	24771060	999629043
	<i>237294762</i>	<i>930916472</i>	<i>5157141</i>	<i>1173368375</i>
Segment Results (PBIT)	17452704	(8554530)	5810757	14708931
	<i>8918947</i>	<i>251122</i>	<i>(111381625)</i>	<i>(102211556)</i>
Less : Finance Cost				10551637
				<i>11027091</i>
Profit before Tax				4157294
				<i>(113238647)</i>
Less : Tax Expenses				1442864
				<i>13765607</i>
Profit after Tax				2714430
				<i>(127004254)</i>
Segment Assets	72767611	292208302	568073328	933049241
	<i>70176559</i>	<i>236559271</i>	<i>575354989</i>	<i>882090819</i>
Segment Liability	39653473	267830118	323023894	630507485
	<i>39783191</i>	<i>204851352</i>	<i>335127572</i>	<i>579762115</i>
Segment fixed assets during the year	0		183373	183373
	<i>1740770</i>		<i>854845</i>	<i>2595615</i>
Segment depreciation	2194802	489064	3412272	6096138
	<i>2092148</i>	<i>552391</i>	<i>2455515</i>	<i>5100054</i>

Previous year figures shown in italic

(b) Secondary Segment - Geographical

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

(Amount in Rs.)

	2014-15	2013-14
Domestic Revenue	999629043	1173368375
Export Revenue	-	-
	999629043	1173368375

37 Related Party Disclosure :

a. Key management persone

Name	Designation	Remarks
Mr. Virendra Kumar Gupta	Executive Director	Ceased w.e.f. 22.05.2014
Mr. Yogender Mohan Sharma	Whole Time Director	Appointed w.e.f. 15.07.2014

b. Other Party - Associate

Giriraj Buildcon Company is a Partner

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

Particulars	(Amount in Rs.)	
	2014-15	2013-14
Expenditure :		
<u>Remuneration</u>		
Mr. Virender Kumar Gupta	685950	1035743
Mr. Yogender Mohan Sharma	512903	-
<u>Outstanding :</u>		
Investment in partnership firm :		
Giriraj Buildcon	461	461
Trade Payables :		
Giriraj Buildcon	956	956

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

38 Pursuant to disclosure pertaining to section 186 (4) of the Companies Act, 2013 the following are the details thereof

a. Investments made :

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

b. Guarantees given

Particulars	2014-15	2013-14
Anik Industries Limited	9,00,00,000	9,00,00,000

39 Capital work-in-progress represents Building under construction of Rs 94,973 (Previous Year Rs. 94,973) and Plant and Machinery under installation of Rs 6,44,201 (Previous Year Rs. 6,44,201).

40 Value of Imports on CIF basis in respect of

(Amount in Rs.)
2014-15 **2013-14**

Purchases of Stock-in-Trade 105581124 0

41 Stores and Spares Consumed -

(Amount in Rs.)

Particulars	2014-15		2013-14	
	Value	%	Value	%
Imported	0	0	0	0
Indigenous	3547684	100	6207092	100

(Amount in Rs.)
2014-15 **2013-14**

42 Earnings in foreign currency Nil Nil

43 Expenditure in foreign currency
- Buyers Credit Interest and Bank Charges 604409 Nil

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

45 Company information, Significant Accounting policies and practices adopted by the Company are disclosed as under :

(A) COMPANY INFORMATION

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

(B) STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Accounting**

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

(b) Use of Estimates

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

(c) Revenue Recognition

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

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

Interest income is recognized on time proportion basis.

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

(d) Fixed Assets**(i) Fixed assets :-**

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

(ii) Capital Expenditure :-

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/installation of the assets.

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015****(iii) Leasehold Land**

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

(e) Depreciation

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

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.

(f) Borrowing Cost

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

(g) Investments

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

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

(h) Valuation of Inventories

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

(i) Foreign Currency Transactions

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

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

c. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities.

(j) Employee Benefits

(I) Post-employment benefit plans -

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

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

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

(II) Short term employment benefits -

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

(k) Lease Accounting**As a Lessee**

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

As a Lessor

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

(l) Taxes on Income

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

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

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

(m) Segment Accounting

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

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

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

SARTHAK INDUSTRIES LIMITED**Notes forming an integral part of the Financial Statements for the year ended 31st March, 2015**

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

(n) Impairment of Assets

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

(o) Provision, Contingent Liabilities and Contingent Assets

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

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

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

(p) Cash Flow Statement

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

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

For and on behalf of the Board of Directors

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

**Sartaj Singh Chhabra
Director
DIN: 05342507**

**CA Avinash Baxi
(Partner)
M. No. 79722**

**CS Amit Jain
Company Secretary**

**CA Kailash Agarwal
Chief Financial Officer**

Place : Indore

Date : 30th May, 2015

**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 :

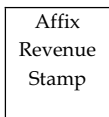
E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on the **Tuesday, 22nd September, 2015** at 4.30 p.m. at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2015 together with the Report of the Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Sartajsing Chhabra, (DIN: 05342507), who retires by rotation and being eligible offers himself for re-appointment.
3.	To appoint M/s Ashok Khasgiwala & Company, Chartered Accountants, (Firm Registration No.: 0743C) retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors of the Company.
Special Business	
4.	To appoint Mrs. Deepika Arora (DIN: 07117491) as Director of the Company whose period shall be liable to determination by retirement of director by rotation.
5.	To approve the remuneration payable to M/s A. GOYAL AND CO., Cost Accountant (Membership No. 13212), Cost Auditors of the Company for the financial year ending 31 st March, 2015.

Signed this..... day of..... 2015



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

31st Annual General Meeting

ATTENDANCE SLIP

ANNUAL GENERAL MEETING ON TUESDAY, 22ND SEPTEMBER, 2015

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 31st Annual General Meeting of the Company at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India on Tuesday, 22nd September, 2015.

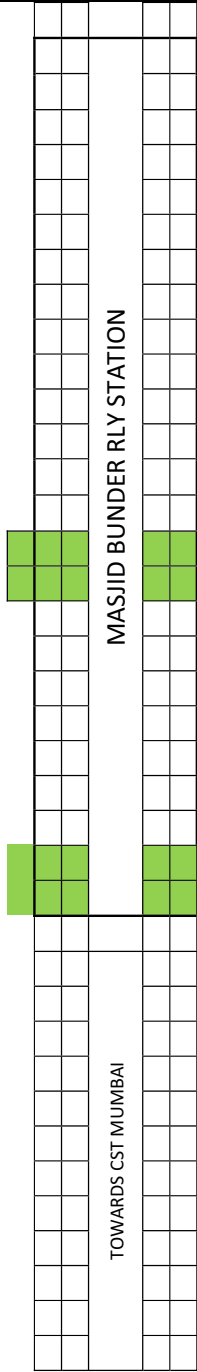
(Member/proxy's Signature)

(Name in BLOCK LETTERS, if signed by proxy)

Note:

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

Wadi Bunder Bridge



Anna Bhuvan

Raj Chamber

Radha Krishna Hotel

87-C Devji Ratansi Marg

Devji Ratansi Marg

SANT TUKARAM MARG

P D'HELLO ROAD

West

East

