



**SARTHAK INDUSTRIES LIMITED**

**30<sup>th</sup> Annual Report  
2013-14**

<b>BOARD OF DIRECTORS</b>	: Mr. Sartajsing Chhabra Director  Mr. Udesb Dassani Director  Mr. Vijay Rathi Director  Mr. Yogender Mohan Sharma Director
<b>COMPANY SECRETARY</b>	: Mr. Amit Jain
<b>BANKERS</b>	: Punjab National Bank IDBI Bank Ltd.
<b>REGISTERED OFFICE</b>	: Room No. 4, Anna Bhuvan, 3 <sup>rd</sup> Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbail-400 009 (MH)
<b>CORPORATE OFFICE</b>	: 214, Trade Centre, South Tukoganj, Indore-452 001(M.P.)
<b>WORKS</b>	: LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.)
<b>AUDITORS</b>	: M/s Ashok Khasgiwala & Co., Chartered Accountants 317, Chetak Centre Annex, Indore-452 001(M.P.)
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	: M/s Sarthak Global Limited 170/10, Film Colony, R.N.T. Marg, Indore-452 001 (M.P.)
<b>STOCK EXCHANGE LISTING</b>	: The Bombay Stock Exchange Ltd. The Madhya Pradesh Stock Exchange Ltd.

## NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of **Sarthak Industries Limited** will be held at Room No. 4, Anna Bhuvan, 3<sup>rd</sup> Floor, 87C Devji Ratansi Marg, Dana Bunder, MUMBAI- (MH) – 400 009 on Wednesday, the 10<sup>th</sup> September, 2014 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2014 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** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vijay Rathi, Director (DIN: 01474776), whose period of office is liable to determination by retirement of directors by rotation and who has offered himself for appointment as Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019 and he shall not be liable to retire 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Udesb Dassani, Director (DIN: 00511709), whose period of office is liable to determination by retirement of directors by rotation and who has offered himself for appointment as Independent

Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019 and he shall not be liable to retire by rotation.”

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

“**RESOLVED** that pursuant to applicable provisions of the Companies Act, 2013 (“the Act”) and rules made thereunder including any statutory modification(s) or re-enactment thereof, for the time being in force) Mr. Yogender Mohan Sharma (DIN-03644480), who was appointed as an Additional cum Whole-time Director of the Company by the Board of Directors with effect from 15<sup>th</sup> July, 2014 and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company for a period of 5 years with effect from 15<sup>th</sup> July, 2014 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as “**the Board**” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

**TENURE:** 5 (five) years with effect from 15<sup>th</sup> July, 2014.

**SALARY:** Rs. 60,000/- per month.

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

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

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

**RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V

to the Companies Act, 2013 for that year, which will be payable to him as minimum remuneration for that year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to increase the salary with an annual increment upto Rs. 10,000/- (Rupees Ten Thousand only) per month, from time to time during the tenure of said five years AND THAT the said increase or revision shall also be subject to overall limit on remuneration payable to all the managerial personnel taken together, as laid down in the Companies Act, 2013, read with Schedule V thereto.

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

**RESOLVED FURTHER THAT** Mr. Sartajsing Chhabra, Director of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies and to do all such acts, deeds, things required for the aforesaid purpose.”

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

**“RESOLVED THAT** in supersession of the resolution(s) passed under Section 293(1)(d) of the Companies Act, 1956 and pursuant to the provision of section 180(1)(c) and the other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company hereinafter called the **“Board”**, which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow from time to time, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid up Share Capital of the Company and its free reserves, that is to say reserves not set apart for specific purpose, provided that the maximum amount of monies so borrowed by the Board shall not at any time exceed Rs. 100.00 Crores (Rs. One Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this resolution.”

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

**“RESOLVED THAT** in supersession of the resolution(s) passed under Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the **“Board”**, which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to create mortgage, and /or charge (in addition to the mortgages/charges previously created) all or any of the immovable and movable properties of the Company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company, in such form and in such manner and on such terms and conditions as the Board may think fit, in favour of the Company’s lenders / agents / trustees in order to secure borrowings availed/to be availed by the Company, in the course of business or for securing any loans and/or advances already obtained by the Company or others, from the Financial Institutions/Banks/ Insurance Companies/ Other Bodies Corporate or person or persons upto a sum not exceeding Rs. 100.00 Crores (Rs. One Hundred Crores only) at any point of time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise the terms and conditions of such creation of mortgage and/or charge and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to this resolution and also agree to any amendment(s) thereto from time to time as it may think fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company, and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

By order of the Board of Directors

Place: Indore  
Dated: 14<sup>th</sup> August, 2014

**SARTAJSING 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 **06<sup>th</sup> September, 2014** to **10<sup>th</sup> September, 2014** (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 8 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 2013-14, circulated to the Members of the Company, is available on the Company's website viz. [www.sarthakindustries.com](http://www.sarthakindustries.com).

#### 10. E-Voting:

- (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30<sup>th</sup> 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 voting period begins on Thursday 04<sup>th</sup> September, 2014 at 9.00 A.M. and ends on Saturday 06<sup>th</sup> September, 2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 08<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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.</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field.</li> <li>In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No./ Bo. Id. is 1 then enter RA00000001 in the PAN field.</li> </ul>
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the



or Date of Incorporation# OR Bank Account Number#	<p>Company's records for the said demat account in dd/mm/yyyy format or enter Folio No.</p> <p style="text-align: center;">OR</p> <p>Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No.</p> <p>#Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.</p>
---	--

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of "SARTHAK INDUSTRIES LIMITED" on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians:
- Institutional 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](mailto: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.
  - 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.
- (xix) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 voting process in a fair and transparent manner.
- (b) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
11. Voting is provided to the members through 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. If a Member casts votes by both modes, then voting done through e-voting shall prevail.
13. 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.
14. The results of the poll aggregated with the results of e-voting shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.sarthakindustries.com](http://www.sarthakindustries.com) within 2 (two) days of passing of the resolution at the Annual General Meeting of the Company and will be communicated to the Stock Exchange.

By order of the Board of Directors

Place: Indore  
Dated: 14<sup>th</sup> August, 2014

**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:**

Mr. Vijay Rathi is Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges. He joined the Board of Directors of the Company on 28<sup>th</sup> January, 2004.

Pursuant to the provisions of section 149 of the Companies Act, 2013 (“the Act”), which came into effect from April 1, 2014, every Listed Public Company is required to have at least one-third of the total number of directors as independent directors.

Section 149(10) of the Act provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Act states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Additionally, the Ministry of Corporate Affairs, Government of India, by a notification, has clarified that if a Company intends to appoint existing independent directors as independent directors under the Act; such appointment must be made expressly within one year from April 1, 2014. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Vijay Rathi as an independent director of the Company to hold office for a term up to March 31, 2019.

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

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

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

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

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

Save and except Mr. Vijay Rathi, 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:**

Mr. Udesb Dassani is Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges. He joined the Board of Directors of the Company on 24<sup>th</sup> March, 2004.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every Listed Public Company is required to have at least one-third of the total number of directors as independent directors.

Section 149(10) of the Companies Act, 2013 provided that an independent director shall hold office for a term of upto five consecutive years on the Board. Further, section 149(13) of the Companies Act, 2013 states that the provision relating to retirement of directors by rotation shall not apply to the appointment of independent directors. Additionally, the Ministry of Corporate Affairs, Government of India, by a notification, has clarified that if a Company intends to appoint existing independent directors as independent directors under the Act, such appointment must be made expressly within one year from April 1, 2014. In compliance with the provisions of the Companies Act, 2013, it is proposed to appoint Mr. Udesb Dassani as an independent director of the Company to hold office for a term up to March 31, 2019.

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

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

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

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

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

Save and except Mr. Udesb Dassani, 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. 6:**

Mr. Yogender Mohan Sharma was appointed by the Board as additional cum whole-time director of the Company w.e.f. 15<sup>th</sup> July, 2014 subject to the approval of the members in General Meeting and he 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 along with the deposit of the requisite amount proposing his candidature for the office of Director of the Company.

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

The resolution needs the approval of the members in terms of sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) for the appointment of Mr. Yogender Mohan Sharma as a Whole-time Director of the Company on the terms and conditions as mentioned in resolution. The above may be treated as a written memorandum setting out the terms of appointment under section 190 of the Act.

The Board recommends the Special Resolution at Item No. 6 for approval of the members.

Save and except Mr. Yogender Mohan Sharma, none of the Directors or Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in the Resolution.

**Item No. 7:**

The Members of the Company has already authorized Board of Directors to borrow money upto 100.00 Crores (Rs. One Hundred Crores only) under Section 293(1)(d) of the Companies Act, 1956.

As per Section 180 of the Companies Act, 2013 ("the Act"), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Sections 293 of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

Accordingly consent of members by way of Special Resolution is required under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to empower the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Board recommends the Special Resolution at Item No. 7 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.

**Item No. 8:**

The Members of the Company has already authorized Board of Directors to create mortgage or charge on the immovable and movable properties of the Company under Section 293(1)(a) of the Companies Act, 1956.

As per Section 180 of the Companies Act, 2013 (“the Act”), notified as on September 12, 2013, the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution. The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolution passed under Sections 293 of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act for a period of one year from the date of notification of Section 180 of the Act.

The Company has been availing various Working Capital facilities, Term Loans and other Borrowings from the Financial Institutions/ Banks/ Insurance Companies/ Other Bodies Corporate or person or persons. The same is secured by way of First / Second Charge on the movable / immovable assets of the Company.

Further, in order to meet the cost of expansion, diversification and to meet growing requirement of working capital, the consent of the members is being sought to authorize the Board to create mortgage and/ or charge to the extent of Rs. 100.00 Crores (Rs. One Hundred Crores only) in line with the borrowing limit of Rs. 100.00 Crores as proposed for the approval u/s 180(1)(c) of the Companies Act, 2013 in Item No. 7 of the notice.

Accordingly consent of members by way of Special Resolution is required under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution at Item No. 8 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: 14<sup>th</sup> August, 2014

**SARTAJSING CHHABRA**

DIRECTOR

DIN: 05342507

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

<b>Name of Directors</b>	<b>Mr. SARTAJ SING CHHABRA (DIN: 05342507)</b>	<b>Mr. VIJAY RATHI (DIN: 01474776)</b>	<b>Mr. UDESH DASSANI (DIN: 00511709)</b>	<b>Mr. YOGENDER MOHAN SHARMA (DIN: 03644480)</b>
<b>Date of Birth</b>	24.06.1969	07.01.1952	11.02.1973	15.10.1951
<b>Age</b>	45 years	62 years	41 years	63 years
<b>Date of Appointment</b>	30.08.2012	28.01.2004	24.03.2004	15.07.2014
<b>Expertise / Experience in specific functional areas</b>	He is having vast experience in the field of Mines and Minerals.	He is presently practicing as a Chartered Accountant and having vast experience in conducting stock audits of various banks	He is presently practicing as a Chartered Accountant and having vast experience in accounts and audit.	He is having around 35 years experience of managerial level in manufacturing units.
<b>Qualification</b>	B.Com.	M.A., M.Com., LL.B., FCA	LL.B., FCA	B.Sc.
<b>No. &amp; % of Equity Shares held in the Company.</b>	Nil	Nil	Nil	Nil
<b>List of outside Company's directorship held.</b>	<ol style="list-style-type: none"> <li>1. Anik Renewable Energy Private Limited</li> <li>2. Nav Nirman Vidyut Utpadan Private Limited</li> <li>3. Nebula Infratech Private Limited</li> <li>4. Anik Ferro-Alloys Private Limited</li> <li>5. Samridhi Power Generation Private Limited</li> <li>6. Suman Agritech Limited</li> <li>7. Rewa Leisure Private Limited</li> <li>8. Pushpal Exports Private Limited</li> <li>9. Avanti Energy Pvt Ltd</li> <li>10. Mahakosh Amusement</li> </ol>	<ol style="list-style-type: none"> <li>1. Anik Industries Ltd.</li> </ol>	Nil	Sarthak Global Ltd.

	Private Limited 11. Yatish Impex Private Limited 12. M.P.Energy Pvt Ltd 13. Avantika Farms Private Limited			
<b>Chairman / Member of the Committees of the Board of Directors of the Company.</b>	Member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.	Chairman of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee	Member of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee	Nil
<b>Chairman / Member of the Committees of the Board Directors of other Companies in which he is director. *</b>	Nil	Chairman of Audit Committee of Anik Industries Ltd.	Nil	Nil
<b>Relationship between directors inter-se.</b>	Nil	Nil	Nil	Nil

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

By order of the Board of Directors

Place: Indore

Dated: 14<sup>th</sup> August, 2014

**(SARTAJ SING CHHABRA)**

DIRECTOR

DIN: 05342507



**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting 30<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS**

<b>Particulars</b>	<b>2013-14 (01.04.2013-31.03.2014)</b>	<b>2012-13 (01.04.2012-31.03.2013)</b>
Sales and other Income	11,733.68	11,134.24
Gross Profit/ (Loss)	(1,081.39)	152.7
Depreciation	51.00	57.54
Profit/ (Loss) before tax	(1,132.39)	95.16
Provision for Taxation for the year	137.65	30.01
Profit/ (Loss) after Taxation	(1,270.04)	65.15
Balance brought forward from previous year	858.36	793.21
Amount available for appropriation	(411.68)	858.36
<b>APPROPRIATION</b>		
Amount Carried to Balance sheet	(411.68)	858.36

**DIVIDEND**

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

**OPERATIONS**

During the year under review, Sales and Other Income of the Company stood at Rs. 11,733.68 Lacs showing increasing trend over the previous year but Profit before tax has decreased and stood at Loss Rs. 1132.39 Lacs as compared to previous year profit Rs. 95.16 Lacs and Net Profit also decreased and stood at Loss Rs. 1270.05 Lacs as compared to previous year net profit Rs. 65.15 Lacs. Your Directors are hopeful for better performance in the coming years.

**PUBLIC DEPOSITS**

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

**INSURANCE**

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **HUMAN RESOURCE & INDUSTRIAL RELATIONS**

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

## **CORPORATE GOVERNANCE**

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

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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

## **DIRECTORS**

Mr. 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 reappointment.

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.

Mr. Yogender Mohan Sharma was appointed as an Additional cum Whole-time Director by the Board of the Company with effect from 15<sup>th</sup> July, 2014 subject to approval of shareholders and holds office upto the date of this Annual General Meeting. Your Company has received a notice in writing from a member proposing his candidature for the office of whole-time director. The Board of Directors recommends his appointment.

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Vijay Rathi and Mr. Udesb Dassani are proposed to be appointed as Independent Directors of the Company for five consecutive years for a term upto 31<sup>st</sup> March, 2019. They qualify to be an Independent Director pursuant to the provisions of Section 149(6) of the Companies Act, 2013.

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

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

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

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

#### **COST AUDIT**

Your Company has appointed M/s A. Goyal & Co., Cost Accountants, (Firm Registration no. 101308) as Cost Auditor of the year 2013-14, with the consent of the Central Government, for the audit of cost accounts maintained by the Company.

**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**

Director

DIN: 03644480

**SARTAJ SING CHHABRA**

Director

DIN: 05342507

Place: Indore

Dated: 14<sup>th</sup> August, 2014

**Annexure A:**

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988 and forming part of the Directors' Report for the period ended 31<sup>st</sup> March, 2014.

Particulars	2013-14 (01.04.13-31.03.14)	2012-13 (01.04.12-31.03.13)
-------------	--------------------------------	--------------------------------

**1. CONSERVATION OF ENERGY****A. Power & Fuel Consumption****1. Electricity**

(a) Units Purchased	6,63,465	6,48,080
Total Amount (Rs.)	54,37,931	54,02,403
Rate Per Unit(Rs.)	8.20	8.34
(b) Own Generation	N.A.	N.A.
<b>2. Coal</b>	<b>NIL</b>	<b>NIL</b>

**3. Furnace Oil**

Quantity in Ltrs	1,14,258	1,09,522
Total Cost (Rs.)	57,13,902	53,11,607
Rate Per Unit (Rs.)	50.00	48.50

**B. Consumption per unit of production**

Electricity (Unit)	3.23	3.11
Coal (MT)	NIL	NIL
Furnace Oil (Ltrs)	0.56	0.53

**2. TECHNOLOGY ABSORPTION**

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

**3. FOREIGN EXCHANGE EARNING AND OUTGO**

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

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

**YOGENDER MOHAN SHARMA**

**SARTAJSING CHHABRA**

Director

Director

DIN: 03644480

DIN: 05342507

Place: Indore

Dated: 14<sup>th</sup> August, 2014

## 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 2013-14, the Company's performance was not 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 37** to the audited accounts of the Company as available in this Annual Report.

### Outlook

The year 2013-14 continues to be a challenging year for the global economy as well as Indian economy. In spite of this fact, Company has increased its manufacturing turnover as compare to last year. The Management is hopeful that in future, the Company will grow its manufacturing and trading activities and will get good orders for the manufacturing of cylinders as well as repairing of old cylinders.

### Risk and concerns

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

### Internal control system and their adequacy

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

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

### Financials

The performance of the Company for the financial year 2013-14 is summarized below:

#### Summarized Profit and Loss Account:

Particulars	2013-14 (01.04.2013-31.03.2014)	2012-13 (01.04.2012-31.03.2013)
Sales and other Income	11,733.68	11,134.24
Gross Profit/ (Loss)	(1,081.39)	152.7
Depreciation	51.00	57.54
Profit/ (Loss) before tax	(1,132.39)	95.16
Provision for Taxation for the year	137.65	30.01
Profit/ (Loss) after Taxation	(1,270.04)	65.15
Balance brought forward from previous year	858.36	793.21
Amount available for appropriation	(411.68)	858.36
APPROPRIATION		
Amount Carried to Balance sheet	(411.68)	858.36

### Material development in Human Resources / Industrial Relations front

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

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

### Cautionary Statement

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

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY:

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

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

### BOARD OF DIRECTORS:

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

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

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

### COMPOSITION AND CATEGORY OF DIRECTORS

Name of the Director	Category	Attendance		No. of Directorship/ Committee Positions held in other Public Limited Companies.		
		Board	Last AGM	Directorship	Committee Chairmanship*	Committee Membership*
Mr. Virendra Kumar Gupta**	Executive Director	7	Yes	1	---	2
Mr. Vijay Rathi	Independent Director	6	Yes	1	1	---
Mr. Udesb Dassani	Independent Director	6	No	---	---	---
Mr. Sartajsing Chhabra	Independent Director	6	No	1	---	---

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

\*\* Mr. Virendra Kumar Gupta ceased on 22.05.2014.



## **BOARD PROCEDURE:**

During the financial year 2013-14, the Board of Directors met on the following dates: 30<sup>th</sup> May, 2013; 14<sup>th</sup> August, 2013; 31<sup>st</sup> August, 2013; 14<sup>th</sup> November, 2013; 20<sup>th</sup> November, 2013; 15<sup>th</sup> January, 2014 and 14<sup>th</sup> February, 2014. The gap between two meetings did not exceed four months, as mentioned in clause 49 of the listing agreement. The dates of meetings were generally decided in advance. Key information is placed before the Board of Directors to appraise Corporate Governance.

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

## **AUDIT COMMITTEE:**

### **Brief description of terms of reference:**

The terms of reference specified by the Board to the audit committee are as contained under clause 49 of the listing agreement with the stock exchanges read with the Companies Act, 1956/Companies Act, 2013.

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

To adhere to the principle of transparent governance, a qualified and independent Audit Committee has been constituted.

#### **a) Members of Committee:**

The Committee comprises following members as on 31.03.2014:

Mr. Vijay Rahti	: Chairman
Mr. Udesb Dassani	: Member
Mr. Virendra Kumar Gupta	: Member

The Compliance Officer is Secretary of the Committee. The Committee met on the following dates: 30<sup>th</sup> May, 2013; 14<sup>th</sup> August, 2013; 31<sup>st</sup> August, 2013; 14<sup>th</sup> November, 2013 and 14<sup>th</sup> February, 2014. Mr. Udesb Dassani, Mr. Virendra Kumar Gupta and Mr. Vijay Rathie each have attended 5 committee meetings.

## **NOMINATION AND REMUNERATION COMMITTEE (Earlier called as REMUNERATION COMMITTEE):**

Pursuant to provisions of the Companies Act, 2013 and the rules made thereunder ('the Act'), the Remuneration Committee is re-named as Nomination and Remuneration Committee.

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

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

The Committee comprises following members as on 31.03.2014:

Mr. Vijay Rahti	: Chairman
Mr. Udesb Dassani	: Member
Mr. Sartajsing Chhabra	: Member

All members of Committee are non-executive Independent Directors. No meeting of the Committee was held during the period.

**DETAILS OF REMUNERATION TO DIRECTORS:****A. REMUNERATION TO EXECUTIVE DIRECTORS**

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

The particulars of remuneration of executive director during the financial year 2013-14 are as under:

<b>Name</b>	<b>Designation</b>	<b>Salary &amp; Allowances</b>	<b>Provident Fund Other benefit</b>	<b>Total</b>
Mr. Virendra Kumar Gupta	Executive Director	9,44,982	90,761	10,35,743

As on 31<sup>st</sup> March, 2014, Non executive Directors were holding Nil Shares of the Company.

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

As approved by the Board of Directors in accordance with the Articles of Association on the Company, the Non-Executive Directors are paid sitting fees for every meeting of the Board and/or Committee attended by them. No commission was paid or payable to the Non-Executive Directors during the financial year 2013-14.

The sitting fees paid to the Non-Executive Directors for attending each meeting of the Board and/or Committee thereof for the year ended 31.03.2014 is as follows:- Mr. Vijay Rathi – Rs. 10,000/- , Mr. Udesb Dassani – Rs. 10,000/- and Mr. Sartajsing Chhabra – Rs. 6000/-.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE (Earlier called as SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE):**

Pursuant to provisions of the Companies Act, 2013 and the rules made thereunder ('the Act'), the Shareholders' / Investors' Grievance Committee is re-named as Stakeholders' Relationship Committee.

Brief description of terms of reference:

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

The Committee comprises following members as on 31.03.2014:

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

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

No investor complaints were received during the financial year 2013-14. All valid share transfers received during the year 2013-14 have been acted upon by the Company and as on 31<sup>st</sup> March, 2014 there were Nil shares pending for transfer.

## **GENERAL BODY MEETINGS:**

### **Annual General Meetings:**

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

<b>YEAR</b>	<b>VENUE</b>	<b>DATE</b>	<b>TIME</b>
2010-11	302, Devkrupa Building, 28, Raichur Street, Mumbai-400009	30/12/2011	11.00 a.m.
2011-12	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	29/09/2012	02.30 p.m.
2012-13	302, Devkrupa Building, 28, Raichur Street, Mumbai-400009	26/09/2013	12.30 p.m.

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

### **Extra-ordinary General Meeting:**

During the financial year 2013-14, 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

**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 Company has complied with mandatory requirements of clause 49 of the Listing Agreement.

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

**MEANS OF COMMUNICATIONS:**

The quarterly and yearly financial results of the Company are published in the newspapers namely Free Press Journal & Navshakti (both Mumbai editions).

**GENERAL SHAREHOLDERS INFORMATION:****Date, Time & Venue of the Annual General Meeting:**

10<sup>th</sup> September, 2014 at 01:30 p.m. at  
Room No. 4, Anna Bhuvan, 3<sup>rd</sup> Floor,  
87C Devji Ratansi Marg, Dana Bunder  
Mumbai (MH) - 400 009

**Financial Year:**

01<sup>st</sup> April, 2013 – 31<sup>st</sup> March, 2014

**Financial Calendar:**

Financial Reporting (tentative) for Quarter ending

June 30, 2014	- August, 2014
September 30, 2014	- November, 2014
December 31, 2014	- February, 2015
March 31, 2015	- May, 2015

**Date of book closure**

06<sup>th</sup> September, 2014 to 10<sup>th</sup> September, 2014 (Both days inclusive)

**Listing on Stock Exchanges at:**

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

The Madhya Pradesh Stock Exchange Ltd. (MPSE)

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

**Electronic connectivity:**

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 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 are given below:

Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-13	---	---
May-13	14.75	14.75
June-13	14.02	13.33
July-13	---	---
August-13	12.67	12.67
September-13	12.05	12.05
October-13	---	---
November-13	11.46	10.90
December-13	---	---
January-14	10.38	6.29
February-14	5.99	5.71
March -14	5.44	5.44

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

Mr. Amit Jain  
 Company Secretary and Compliance Officer  
 Sarthak Industries Limited  
 Room No. 4, Anna Bhuvan, 3<sup>rd</sup> Floor,  
 87C Devji Ratansi Marg, Dana Bunder  
 Mumbai (MH) - 400 009  
 Tel. No.: +91 022 23480110  
 Email: [sarthakindustries@yahoo.in](mailto:sarthakindustries@yahoo.in)

**Distribution of Equity Shareholding and its pattern as on 31<sup>st</sup> March, 2014**

<b>Distribution of Equity Shareholding 31.03.2014</b>			
<b>Share Class</b>		<b>No. of Equity Shares</b>	
<b>No. of Shares</b>	<b>No. of Holders</b>	<b>No. of shares held</b>	<b>Shareholding %</b>
Up to 500	434	1,66,074	2.38
501-1000	157	1,30,491	1.87
1001-2000	13	19,152	0.28
2001-3000	8	20,178	0.29
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
<b>Total</b>	<b>648</b>	<b>69,68,850</b>	<b>100.00</b>

<b>Shareholding Pattern</b>		
<b>Category</b>	<b>No. of Shares</b>	<b>Shareholding %</b>
Promoters	25,34,530	36.37
Domestic Corporate Bodies	30,77,439	44.16
Indian Public	8,88,506	12.75
NRIs/OCBs/FIIs	4,68,375	6.72
<b>Total</b>	<b>69,68,850</b>	<b>100.00</b>

**Registrar and Share Transfer Agent**

Sarthak Global Limited  
170/10, R.N.T. Marg  
Film Colony, Indore,  
(M.P.) – 452 001

**Dematerialization of shares and Liquidity**

The Company's shares are traded compulsorily in demat mode under ISIN code INE 074 H01012. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories, holding Company's share in demat mode. As on 31<sup>st</sup> March, 2014 out of 69,68,850 equity shares of Rs. 10/- each, 57,16,915 equity shares which is 82.03% of total equity are now held in electronic form.

**Plant Locations**

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

**Address for correspondence**

214, Trade Centre,  
South Tukoganj,  
Indore, (MP) – 452 001

To  
The Members of  
**SARTHAK INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Sarthak Industries Limited for the year ended 31<sup>st</sup> March, 2014 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: 14<sup>th</sup> August, 2014

**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 comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- ii. in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Place : Indore  
Date : 30<sup>th</sup> May 2014

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

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

### **Annexure to Independent Auditors' Report**

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

- i. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of its Inventories:
  - a. The Inventories have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
  - b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion, the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii.
  - a. According to the information and explanations given to us, and in our opinion the Company has not granted any loan secured or unsecured to company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(b), iii (c) and iii(d) of the said Order are not applicable to the company.
  - b. According to the information and explanations given to us, and in our opinion the Company has not taken any loan secured or unsecured from company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii(f) and iii(g) 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 are 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system in respect of these areas.

v.

a. According to the information and explanations given to us, we are of the opinion that the company has no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

b. In our opinion provisions of clause (V) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.

vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. There were no arrears, as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.

b) In our opinion and according the information and explanation given to us, the statutory dues of income tax, sales tax, service tax, customs duty, excise duty and cess which have not been deposited with appropriate authorities on account of any disputes are as under :

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount Involved Rs.</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
Bombay Sales Tax Act, 1959	Sales Tax	998913	1998-99	Maharastra Sales Tax Tribunal Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	9231996	2001-02	Asst. Commissioner of Sales Tax
Bombay Sales Tax Act, 1959	Sales Tax	18631908	2002-03	Dy.Commissioner of Sales Tax (Appeal)
Competition Commission of India	MRT Preactice	38974489	2007-08 to 09-10	Competition Appellate Tribunal, New Delhi
Central Sales Tax Act, 1956	Sales Tax	204859	2009-10	MP Commercial Tax, Appellate Board
Central Sales Tax Act, 1956	Sales Tax	524872	2010-11	Deputy Commissioner of Sales Tax (Appeal)

- x. The company have accumulated losses of Rs. 41168516 as at 31<sup>st</sup> March 2014. The company has incurred cash losses during the year under audit, however not incurred any cash loss in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debenture.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.
- xv. The Company has given guarantee for loans taken by Others from Bank. In our opinion and according to the information and explanations given to us the terms and condition of the guarantee given are not prima facie prejudicial to the interest of the company.
- xvi. The company has not raised any term loan during the year under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been utilised for long term purposes.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. The Company has not issued any debenture.
- xx. The Company has not raised money by public issues during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

Place : Indore  
Date : 30<sup>th</sup> May, 2014

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

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

# SARTHAK INDUSTRIES LIMITED

## Balance Sheet as at 31st March, 2014

Amount in Rs.

Particulars	Notes	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	69688500	69688500
(b) Reserves and Surplus	2	232640202	359644456
		<b>302328702</b>	<b>429332956</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	7597594	23182907
(b) Long-term provisions	4	1988958	2081692
		<b>9586552</b>	<b>25264599</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	78099906	599906
(b) Trade payables	6	473433506	477125433
(c) Other current liabilities	7	17953295	21195894
(d) Short-term provisions	8	688859	<b>650550</b>
		<b>570175566</b>	<b>499571782</b>
<b>TOTAL</b>		<b>882090820</b>	<b>954169337</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) <i>Fixed assets</i>			
(i) Tangible assets	9	239944204	411012643
(iii) Capital work-in-progress		739174	774228
(b) Non-current investments	10	1653330	26540859
(c) Deferred tax assets (net)	11	917056	736660
(d) Long term loans and advances	12	32169691	32871815
(e) Other Non-Current Assets	13	206625	0
		<b>275630080</b>	<b>471936205</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	209309134	30671731
(b) Trade receivables	15	139655104	316090200
(c) Cash and bank balances	16	16109197	28784193
(d) Short-term loans and advances	17	240528476	106064807
(e) Other current assets	18	858828	622201
		<b>606460739</b>	<b>482233132</b>
<b>TOTAL</b>		<b>882090820</b>	<b>954169337</b>
Notes forming integral part of the financial statements	1 to 42		
Significant Accounting Policies	43		
<div style="display: flex; justify-content: space-between;"> <div> <p><b>As per our report of even date</b>  <b>For Ashok Khsgiwala &amp; Co.</b>  <b>Chartered Accountants</b></p> <p><b>CA Avinash Baxi</b>  <b>Partner</b>  <b>M. No. : 79722</b></p> <p><b>Place : Indore</b>  <b>Dated : 30th May, 2014</b></p> </div> <div> <p><b>For and on behalf of Board of Directors</b></p> <p><b>CS Amit Jain</b>  <b>Company Secretary</b></p> <p><b>Sartaj Singh Chhabra</b>  <b>Director</b>  <b>DIN: 05342507</b></p> <p><b>Udesh Dassani</b>  <b>Director</b>  <b>DIN: 00511709</b></p> </div> </div>			

# SARTHAK INDUSTRIES LIMITED

## Statement of Profit and Loss for the year ended on 31st March, 2014

Amount in Rs.

Particulars	Note No	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
<b>I. INCOME</b>			
a. Revenue from operations	19	1195940665	1134189138
Less : Excise duty		27729431	29512300
Revenue from operations (Net)		1168211234	1104676838
b. Other Income	20	5157141	8746707
<b>Total Revenue</b>		<b>1173368375</b>	<b>1113423545</b>
<b>II. EXPENSES</b>			
a. Cost of materials consumed	21	190230775	183840055
b. Purchases of Stock-in-Trade	22	1118402854	755738839
c. Changes in inventories of Finished goods, Work in progress and Stock-in-Trade	23	(196106869)	105368644
d. Employee Benefits Expense	24	22479736	21251067
e. Finance costs	25	11027091	7605514
f. Depreciation Expenses		5100054	5754083
g. Other Expenses	26	135473381	24349422
<b>Total Expenses</b>		<b>1286607022</b>	<b>1103907624</b>
III. Profit before exceptional and extraordinary items and tax (I-II)		(113238647)	9515922
IV. Exceptional/Extraordinary Items		0	0
V. Profit before tax (III - IV)		(113238647)	9515922
VIII. Tax expense:			
a. Current tax		7650000	3525000
b. Deferred tax		(180396)	(523654)
C. Income Tax for Earlier Year		6296003	0
IX. Profit for the year (VII - VIII)		<b>(127004254)</b>	<b>6514576</b>
XVI. Earning per Equity share: (face value Rs 10 )			
(1) Basic		(18.22)	0.93
(2) Diluted		(18.22)	0.93
Notes forming intergeral part of the finanacial statement	1 to 42		
Significant Accounting Policies	43		

**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**

**CS Amit Jain  
Company Secretary**

**Sartaj Singh Chhabra  
Director  
DIN: 05342507**

**Udesh Dassani  
Director  
DIN: 00511709**

**Place : Indore**

**Dated : 30th May, 2014**

**SARTHAK INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

		<b>Amount in Rs.</b>	
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>	
<b>A Cash flow from Operating activities</b>			
<b>a. Net Profit before Tax &amp; Extraordinary item</b>	<b>(113238647)</b>	<b>9515922</b>	
Adjustment for :			
Depreciation	5100054	5754083	
Finance costs	11027091	7605514	
Interest Received	(1564309)	(2627592)	
Divident Received	(118642)	(125466)	
Loss / (Profit) on sale of Fixed assets	31688743	(2750170)	
Loss on sale of Investments	12779939	86020	
<b>b. Operating profit before working capital changes</b>	<b>(54325771)</b>	<b>17458311</b>	
Adjustment for :			
Trade and Other receivables	40669700	225114429	
Inventories	(178637403)	443993797	
Trade and other payables	(4371395)	(167111115)	
<b>c. Cash generated from Operations</b>	<b>(196664869)</b>	<b>519455422</b>	
Direct Taxes paid	(12385405)	(4270856)	
<b>d. Cash flow before Extraordinary item</b>			
Extraordinary item	0	0	
<b>Net Cash Flow from Operating activities</b>	<b>(209050274)</b>	<b>515184566</b>	
<b>B. Cash flow from investing activities</b>			
Purchase of Tangible Fixed Assets	(2560561)	(349473433)	
Sale of Tangible Fixed Assets	136875257	2775896	
Purchase of Investment	0	(374400)	
Sale of Investments	12107590	182680	
Interest Received	1564309	2627592	
Divident Received	118642	125466	
Chang in Bank balances not considered as cash and cash Equivalent	94005	2995	
<b>Net Cash Flow from Investing activities</b>	<b>148199242</b>	<b>(344133204)</b>	
<b>C. Cash flow from Financing activities</b>			
Proceeds from Borrowings	77500000	0	
Repyament of Borrowings	(18202868)	(145260848)	
Finance costs	(11027091)	(7605514)	
<b>Net Cash flow from Financing activities</b>	<b>48270041</b>	<b>(152866362)</b>	
<b>D. Net Increase / ( Decrease)in Cash and Cash Equivalent</b>	<b>(12580991)</b>	<b>18185000</b>	
Cash and Cash Equivalent at the beginning of the year	26238588	8053588	
Cash and Cash Equivalent at the end of the year	13657597	26238588	
Bank balances not considered as cash and cash equivalents	2451600	2545605	
<b>Cash and Bank balances as at the year end</b>	<b>16109197</b>	<b>28784193</b>	

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

**For and on behalf of Board of Directors**

**CA Avinash Baxi**  
**Partner**  
**M. No. : 79722**  
**Place : Indore**  
**Dated : 30th May, 2014**

**CS Amit Jain**  
**Company Secretary**

**Sartaj Singh Chhabra**  
**Director**  
**DIN: 05342507**

**Udesh Dassani**  
**Director**  
**DIN: 00511709**

<b>SARTHAK INDUSTRIES LIMITED</b>				
<b>Notes forming intergeral part of the Financial Statements for the year ended 31st March, 2014</b>				
			Amount in Rs.	
<b>Particulars</b>			<b>As at 31st March 2014</b>	<b>As at 31st March 2013</b>
<b>Note 1. Share Capital</b>				
<b>Authorised</b>				
1,10,00,000 Equity Share of Rs. 10 each			110000000	110000000
1,00,000 Preference Share of Rs.100 each			10000000	10000000
<b>Issued, Subscribed and fully Paid up</b>				
6968850 Equity Shares of Rs 10 Each fully paid up			69688500	69688500
			<b>69688500</b>	<b>69688500</b>
1.1 The reconciliation of the number of shares and amount outstanding is set out below:				
<b>Particulars</b>		<b>As at 31st March,2014</b>		<b>As at 31st March,2013</b>
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Equity Shares at the beginning of the year	6968850	69688500	6968850	69688500
Add: Shares issued during the year	-	-	-	-
Equity Shares at the year end	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 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 :				
<b>Name of the Shareholders</b>		<b>As at 31st March,2014</b>		<b>As at 31st March,2013</b>
	<b>No of shares held</b>	<b>% Held</b>	<b>No of shares held</b>	<b>% Held</b>
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 Glorishine Property Developers Pvt Ltd (Transferor Company) into and with the company, approved by the shareholders of the company and sanctioned by Hon'ble High Court at Mumbai on 21st October 2011, the company has issued and allotted 1400000 equity shares of Rs. 10 each fully paid up on 5th December 2011, to the shareholders of transferor company for consideration otherwise than in cash.				
1.5 During the period of five years immediately preceeding the Balance Sheet date as at 31.3.2014, the company has not:				
a) No shares are allotted as fully paid up by way of bonus shares.				
b) No shares are bought back.				
<b>Note 2 Reserves and Surplus</b>				
<b>Capital Reserve</b>				
Balance at the beginning of the year			4536358	4536358
Add: Recieved during the year			0	0
Balance at the end of the year			<b>4536358</b>	<b>4536358</b>
<b>Securities Premium Account</b>				
Balance at the beginning of the year		267623752		267623752
Add : Transfer from securities premium suspense account		-		-
Balance at the end of the year			<b>267623752</b>	<b>267623752</b>
<b>General Reserve</b>				
Balance at the beginning of the year			1648608	1648608
Add: Transferred from Profit & Loss Account			0	0
Balance at the end of the year			<b>1648608</b>	<b>1648608</b>
<b>Surplus in Statement of Profit and Loss</b>				
Balance at the beginning of the year		85835738		79321162
Add: Profit for the year		(127004254)		6514576
Balance at the end of the year			(41168516)	85835738
		<b>Total</b>	<b>232640202</b>	<b>359644456</b>



<b>Note 3 Long Term Borrowings</b>				
<b>Secured</b>				
a. From Banks- Term loan		2572389		4360739
Less : Current Maturity of Long term debts (Refer note 7)		1949068		1788350
			623321	2572389
<b>Unsecured</b>				
a. From others				
Indore Development Authority (IDA)		11056526		27471044
Less : Current Maturity of Long term debts (Refer note 7)		4082253		6860526
			6974273	20610518
		<b>Total</b>	<b>7597594</b>	<b>23182907</b>
<b>Note :</b>				
Term laon from HDFC bank is secured by charge on the specific asset acquired from loan.				
The loan is repayable as under:				
Sanctioned amount is Rs 17.5 lakh outstanding Rs. 6.70 lacs is repayable in 60 monthly installments (EMI) of Rs. 36115 (including Interest) commencing from December 2010 and last installment is due on November 2015				
Sanctioned amount is Rs 16.5 lakh outstanding Rs.4.16 lacs is repayable in 60 monthly installments (EMI) of Rs. 33595 (including Interest) commencing from May 2010 and last installment is due on April 2015				
Sanctioned amount is Rs 50.85 lakh outstanding Rs. 14.86 lacs is repayable in 60 equal quaterly installments (EMI) of Rs. 104940 (including Interest) commencing from July 2010 and last installment is due on June 2015				
Unsecured Loan from Indore Development Authority outstanding Rs. 110.56 lacs is repayable in 40 quaterly installments (EMI) of Rs. 1271480 (including interest) commencing from November 2006 and last installment is due on August 2016				
<b>Note 4 Long Term Provisions</b>				
Provision for Employee benefit		1988958		2081692
(Refer Note 8 for disclosure as per AS -15)		<b>Total</b>	<b>1988958</b>	<b>2081692</b>
<b>Note 5 Short Term Borrowings</b>				
<b>Loans repayable on demand</b>				
<b>Secured</b>				
a.Working Capital Loans				
From HDFC Bank		77500000		-
<b>Unsecured</b>				
Security Deposits		599906		599906
		<b>Total</b>	<b>78099906</b>	<b>599906</b>
1.The working capital loan from Punjab National Bank and IDBI banks are secured by first pari passu charge by way of hypothecation of entire current asesets including stocks and book debts and all plant and machineries, equipments etc of the company, equitable mortgage of land situated at survey no 97, khasra no 80 in village Akoliya Dist Dhar(M.P.), together with all buildings and sturctures thereon and personal guarantee of director and others.				
2.Working capital loan from HDFC Bank is secured against pledge of Stock in trde with HDFC Bank Ltd. as a continuing security and personally guaranteed by others.				
<b>Note 6 Trade Payables</b>				
Due to Micro, Small and Medium Enterprises		-		-
Due to others		473433506		477125433
		<b>Total</b>	<b>473433506</b>	<b>477125433</b>
a. Trade Payables includes Rs. Nil (Previous Year Nil) amount due to micro small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act.				
b. The details of amount outstanding to Micro, Small and Medium Enterprises are as under :				
<b>Particulars</b>			<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
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			-	-
c. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.				
<b>Note 7 Other Current Liabilities</b>				
Current Maturities of Long Term Debt (Refer note 3 for details of securities)		6031321		8648876
Interest accrued but not due		300581		240372
Other Payables				
Statutory Dues		2829161		2860123
Advances from Customers		103531		62132
Liabilities for Expenses		8688700		9384390
		<b>Total</b>	<b>17953295</b>	<b>21195893</b>

<b>Note 8 Short Term Provisions</b>					
Provision for Employee benefit			688859	650550	
		<b>Total</b>	<b>688859</b>	<b>650550</b>	
<b>Disclosure as per AS-15 (Revised) "Employee Benefit"</b>					
<b>GRATUITY</b>					
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.					
<b>Particulars</b>			<b>2013-14</b>	<b>2012-13</b>	
			<b>Gratuity</b>	<b>Gratuity</b>	
			<b>Rs. in lacs</b>	<b>Rs. in lacs</b>	
<b>I. Change in Benefit Obligation</b>					
Liability at the beginning of the year			2119938.00	1766825.00	
Interest Cost			169595.00	150180.00	
Current Service Cost			90435.00	85928.00	
Past Service Cost (Non Vested Benefit)			0.00	0.00	
Past Service Cost (Vested Benefit)			0.00	0.00	
Liability Transfer in			0.00	0.00	
Liability transfer out			0.00	0.00	
Benefit Paid			(75413.00)	(12115.00)	
Actuarial (gain)/loss on obligations			(186930.00)	129120.00	
Liability at the end of the year			2117625.00	2119938.00	
<b>II. Change in Fair value of Plan Assets</b>					
Fair Value of Plan Assets at the beginning of the year			0.00	0.00	
Expected Return on Plan Assets			0.00	0.00	
Contributions			0.00	0.00	
Transfer from other company			0.00	0.00	
Transfer to other company			0.00	0.00	
Benefit Paid			0.00	0.00	
Actuarial gain/(loss) on Plan Assets			0.00	0.00	
Fair Value of Plan Assets at the end of the year			0.00	0.00	
Total Actuarial Gain/(Loss) To Be Recognised			186930.00	129120.00	
<b>III. Amount Recognised in the Balance Sheet</b>					
Liability at the end of the year			2117625.00	2119938.00	
Fair Value of Plan Assets at the end of the year			0.00	0.00	
Difference			(2117625.00)	(2119938.00)	
Unrecognised Past Service Cost			0.00	0.00	
Un recognised Transition Liability			0.00	0.00	
Amount Recognised in the Balance Sheet			(2117625.00)	(2119938.00)	
<b>IV. Expenses Recognised in Profit and Loss A/c</b>					
Current Service Cost			90435.00	85928.00	
Interest Cost			169595.00	150180.00	
Expected Return on Plan Assets			0.00	0.00	
Past Service Cost (Non Vested Benefit) Recognised			0.00	0.00	
Past Service Cost (Vested Benefit) Recognised			0.00	0.00	
Recognition of Transition Liability			0.00	0.00	
Actuarial Gain or Loss			186930.00	129120.00	
Expense Recognised in P&L			73100.00	365228.00	
<b>V Assets Information</b>					
Government of India Assets			0.00	0.00	
Corporate Bonds			0.00	0.00	
Special Deposits Scheme			0.00	0.00	
Equity Shares of Listed Companies			0.00	0.00	
Property			0.00	0.00	
Other			0.00	0.00	
Insurer Managed Funds			0.00	0.00	
Total			0.00	0.00	
<b>VI. Balance Sheet Reconciliation</b>					
Opening Net Liability			2119938.00	1766825.00	
Expense as above			73100.00	365228.00	
Employers Contribution			0.00	0.00	
Benefit Paid			(75413.00)	(12115.00)	
Amount Recognised in Balance Sheet			2117625.00	2119938.00	
<b>VII. Assumptions :</b>					
Discount Rate Prev.			8.00%	8.50%	
Rate of Return on Plan Assets Prev			0.00%	5.00%	
Salary Escalation Prev.			5.00%	2.00%	
Discount Rate Current			9.25%	8.00%	
Rate of Return on Plan Assets Current			0.00%	5.00%	
Salary Escalation Current			5.00%	2.00%	
(ii) Expected contribution for defined benefit plan for the next financial year would be in line with F.Y. 2013-14.					
(iii) Amounts recognized in current year and previous four years:					
<b>Particulars</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>	<b>31<sup>st</sup> March 2011</b>	<b>31<sup>st</sup> March 2010</b>
Defined Benefit Obligation	2117625.00	2119938.00	1766825.00	1547506.00	1179226.00
Fair Value of Plan Assets	0.00	0.00	0.00	0.00	0.00
Surplus/ (Deficit) in plan	(2117625.00)	(2119938.00)	(1766825.00)	(1547506.00)	(1179226.00)
Experience Adjustments on Plan Liabilities Loss / (Gain)	(17474.00)	(55333.00)	(64315.00)	(277784.00)	(92420.00)
Experience Adjustments on Plan Assets (Loss) / Gain	0.00	0.00	0.00	0.00	0.00
<b>LEAVE ENCASHMENT</b>					
The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gain and losses are recognised 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. 560192 (Pre. Year Rs. 492685).					

# SARTHAK INDUSTRIES LIMITED

## Note 9 Fixed Assets

	GROSS BLOCK				DEPRICATION				N E T - B L O C K	
Name of the Assets	As at 1st April, 13	Additions / Transferred during the year	Deductions	As at 31st March, 14	Up to 31st March, 13	For the year 2013-14	Adjustments / Deductions	Up to 31st March, 14	As at 31st March, 14	As at 31st March, 13
<b>Tangible Assts</b>										
Land :										
Free Hold	142555094	-	-	142555094	-	-	-	-	142555094	142555094
Lease Hold	208852336	-	168564000	40288336	23918	9897	-	33815	40254521	208828418
Buildings	55455694	873224	-	56328918	13322510	2277528	-	15600038	40728880	42133184
Plant & Machinery	37205501	867546	-	38073047	26550721	1006487	-	27557208	10515839	10654780
Furniture & Fixtures	587378	-	-	587378	384649	36694	-	421343	166035	202729
Office Equipments	1290564	65576	-	1356140	979158	79362	-	1058520	297620	311406
Vehicles	16912239	789269	-	17701508	10585207	1690086	-	12275293	5426215	6327032
<b>Current Year</b>	462858806	2595615	168564000	296890421	51846163	5100054	-	56946217	239944204	411012643
<b>Previous Year</b>	113912367	349343406	396967	462858806	46463321	5754083	371241	51846163	411012643	-

<b>Note 10 Non- Current Investments</b>				
<b>A. Long term Investment in Equity Shares</b>				
<b>I. Quoted (Other Than Trade)</b>				
1953000 Equity Shares of Ruchi Infrastructure Ltd.of Rs.1 each fully paid up		470075	470075	
5000 Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2 each fully paid up		36000	36000	
1600 Equity Shares of National Steel & Agro Industries Ltd.of Rs.10 each fully paid up		65272	65272	
100 Equity Shares of Ruchi Strips & Alloys Ltd. of Rs.10 each fully paid up		2400	2400	
108800 Equity Shares of Sarthak Global Limited of Rs. 10 each fully paid up		1022000	1022000	
Nil (Previous year 590620) Equity Shares of Anik Industries Ltd of Rs. 10 each fully paid up		-	24513129	
500 Equity shares of Kernex Micro Ltd. of Rs.10 each fully paid up		122233	122233	
		1717980	26231109	
Less : Provision for diminution in value of investments		117611	117611	
		1600369	26113498	
<b>II. Unquoted</b>				
1800 Equity shares of Vaishnavi Insurance of Rs. 5 each fully paid up		9000	9000	
Nil (Previous year 9000) Equity shares of Anik Industries PTE Ltd. of Rs. 1 each fully paid up.		-	374400	
		9000	383400	
<b>B. Investments in Government Securities</b>				
National Saving Certificate VIII issue		43500	43500	
(Deposited with Govt. Department)		43500	43500	
<b>C. Investment in Partnership Firms</b>				
Balance in Capital account of "Giriraj Buildcon"		461	461	
(Refer note "36" )				
		461	461	
	<b>Total (A+B+C)</b>	1653330	26540859	
		<b>As at 31st March,2014</b>	<b>As at 31st March,2013</b>	
Aggregate Amount of Quoted investments		1717980	26231109	
Aggregate Amount of Unquoted investments		9,000	383,400	
Market Value of Quoted investments		2,966,101	58,963,899	
Aggregate Provision for diminution in value of Quoted investments		117,611	117,611	
Aggregate Amount of Unquoted investments- In Government Securities		43,500	43,500	
Aggregate Amount of investments- In Partnership Firm		461	461	
<b>Note 11 Deferred Tax Assets (Net)</b>				
Deferred Tax Liabilities				
Due to Depreciation difference on Fixed Assets		-6866	192029	
Deferred Tax Assets				
Other Timing Difference		910190	928689	
<b>Deferre Tax Liabilities / (Assets) (Net)</b>		<b>(917056)</b>	<b>(736660)</b>	
<b>Note 12 Long Term Loans and Advances</b>				
Unsecured considered good				
Capital Advances		-	-	
Security Deposits		28615683	27757208	
Advance tax (net)		3554008	5114607	
	<b>Total</b>	<b>32169691</b>	<b>32871815</b>	
<b>Note 13 Other Non-Current Asset</b>				
Interest accrued on deposits		12620	-	
Balance with Bank in Deposit account				
having Maturity more than 12 months		194005	-	
		<b>206625</b>	<b>-</b>	
<b>Note 14 Inventories</b>				
(As valued and certified by Management)				
Raw Materials		5610618	23321659	
Work in Progress		4015861	2189086	
Finished Goods		8336235	2444141	
Stock In Trade		188388000	-	
Stores and Spares		2958420	2716845	
	<b>Total</b>	<b>209309134</b>	<b>30671731</b>	
Valued at lower of Cost or Net realisable value, except for				
scrape valued at net reliable value.				

<b>Details of Raw Materials</b>				
H.R. Coil			1583556	16380048
Others			4027062	6941611
		<b>Total</b>	<b>5610618</b>	<b>23321659</b>
<b>Details of Work in Progress</b>				
Semi finished LPG Cylinders			4015861	2189086
			<b>4015861</b>	<b>2189086</b>
<b>Details of Finished Goods</b>				
LPG Cylinders			7906065	1206237
Others			430170	1194084
		<b>Total</b>	<b>8336235</b>	<b>2400321</b>
<b>Details of Stock in Trade</b>				
Skimmed Milk Powder			188388000	-
			<b>188388000</b>	<b>-</b>
<b>Note 15 Trade Receivables</b>				
(Unsecured considered good)				
Outstanding for a period of exceeding six months from the date they were due for payment			33461362	33200352
Others receivable			106193742	282889848
		<b>Total</b>	<b>139655104</b>	<b>316090200</b>
<b>Note 16 Cash and Bank Balances</b>				
a. Cash and Cash Equivalents				
i. Balances with Banks				
in Current Accounts			2286128	911947
in Deposit Accounts with maturity up to 3 months				
Earmarked against credit facility			10627000	8285000
Others			12000	15944278
ii. Cash on hand			732469	1097363
			13657597	26238588
b. Other Bank Balances				
Short Term Deposits				
with maturity more than 3 months up to 12 months				
Earmarked against credit facility			-	-
Others			2451600	2545605
with maturity more than 12 months (Refer note 13)		194005		
Less: Shown under other non current assets		(194005)	-	-
		<b>Total</b>	<b>16109197</b>	<b>28784193</b>
<b>Note 17 Short Term Loans and Advances</b>				
(Unsecured considered good)				
Loans and Advances to Employees			892200	684645
Balance with Government Authorities			9883342	1236740
Others				
Advance to Suppliers			3326842	4398742
Other Advances recoverable in cash or in kind for value to be received			226426093	99744681
		<b>Total</b>	<b>240528476</b>	<b>106064807</b>
<b>Note 18 Other Current Assets</b>				
(Unsecured considered good)				
Interest accrued on deposits			858828	622201
		<b>Total</b>	<b>858828</b>	<b>622201</b>
<b>Note 19 Revenue from Operations</b>				
Sales of Products			1183830143	1116957136
Sale of services			6557354	7455213
Other operating Revenue			5553168	9776789
			1195940665	1134189138
Less : Excise duty			27729431	29512300
<b>Revenue from operation (net)</b>			<b>1168211234</b>	<b>1104676838</b>
<b>Details of Sales of product</b>				
LPG Cylinders			233664420	248422903
Skimmed Milk Powder			611942750	564255625
Chana			163819200	200291940
Coal			-	73867273
Crude Palm Oil			150551650	-
Other			23852123	30119395
			1183830143	1116957136

<b>Note 20 Other Income</b>					
Interest Received			1564309	2627592	
Dividend Received on long term investments			118642	125466	
Profit on sale of Fixed Assets			-	2750170	
Other Non operating income					
Rent Received			2912240	2664040	
MiscIncome			561950	579439	
			<b>5157141</b>	<b>8746707</b>	
<b>Note 21 Cost of Materials Consumed</b>					
<b>Raw Material Consumed</b>			190230775	183840055	
			<b>190230775</b>	<b>183840055</b>	
<b>Raw Material Consumed</b>					
H.R.Coil			144307407	137693665	
Others			45923368	46146390	
		<b>Total</b>	<b>190230775</b>	<b>183840055</b>	
<b>Raw Material Consumed</b>	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>	
Imported	0	0	0	0	
Indegenous	190230775	100	183840055	100	
<b>Note 22 Purchases of Stock In Trade</b>					
Purchase traded goods			1118402854	755738839	
		<b>Total</b>	<b>1118402854</b>	<b>755738839</b>	
<b>Details of Purchases of Traded Goods</b>					
Skimmed Milk Powder			800239550	471550000	
Crude Palm Oil			149988745	-	
Coal			-	73243410	
Chana			163867200	200353140	
Others			4307359	10592289	
		<b>Total</b>	<b>1118402854</b>	<b>755738839</b>	
<b>Note 23 Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade</b>					
<b>Closing stocks</b>					
Finished Goods		8336235		2444141	
Work in Progress		4015861		2189086	
Stock in Trade		188388000		-	
			200740096	4633227	
<b>Less : Opening Stocks</b>					
Finished Goods		2444141		9305534	
Work in Progress		2189086		8969462	
Stock in Trade		-		439982311	
Less : Value of land transferred to fixed assets		-		348255436	
			4633227	91726875	
				110001871	
<b>Changes in Inventories</b>			<b>196106869</b>	<b>(105368644)</b>	
<b>Note 24 Employee Benefits Expenses</b>					
Salaries and Wages			11373458	10994089	
Contribution to Provident and other fund			551362	554140	
Staff Welfare Expenses			139757	160354	
Service Charges			10415159	9542484	
		<b>Total</b>	<b>22479736</b>	<b>21251067</b>	
<b>Note 25 Finance Costs</b>					
Interest Expenses			9588799	6283474	
Other Borrowing costs			1438292	1322040	
		<b>Total</b>	<b>11027091</b>	<b>7605514</b>	
<b>Note 26 Other Expenses</b>					
Power and Fuel			5437931	5402403	
Stores, spares and consumables			4437488	4237504	
Rent			1103241	1219001	
Repairs to Machinery			1769604	1164795	
Repairs to Buildings			329974	184925	
Insurance			441516	462143	
Rates & Taxes excludng taxes on income			2584666	3009401	
Factory Expenses			318746	264010	
Legal and Professional Charges			2685681	2376915	
Travelling & Conveyance Expenses			1360478	1198171	
Vehicle Expenses			662830	722033	
Loss on Commodity Business			57831865	-	
Loss on Sale of Shares			12779939	-	
Loss on Sales of Fixed Assets			31688743	-	
Miscellaneous Expenses			12040680	4108121	
		<b>Total</b>	<b>135473381</b>	<b>24349422</b>	

## SARTHAK INDUSTRIES LIMITED

	2013-2014	2012-13
27 <u>Contingent Liabilities and Commitments</u>		(Amount in Lacs)
<b>1 Contingent Liabilities</b>		
a) Outstanding Bank guarantee	80.64	115.62
b) Sales Tax, CCI and other demand disputed in appeals	486.03	480.85
c) Corporate Gurantee given on behalf of others	900.00	900.00
<b>2 Commitments</b>	Nil	Nil

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

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

30 The Company has availed in earlier year the benefit of Sales Tax deferment scheme as per terms & conditions of Notification No. 3-32-94-ST-V-(5) dated 28/2/95 issued by department of Commercial tax, Govt. of M.P. has been deferred and carried forward as unsecured loan from Govt. of Madhya Pradesh. The necessary exemption / deferment certificate is yet to be received from the concerned authorities. The Company moved writ petition before the Hon'ble High Court, Indore to get exemption certificate which was allowed against state order of MP High Court bench, Indore, the State Level Committee has moved a writ appeal before the Hon'ble division bench, MP High Court bench at Indore no. 168/2008 which is disposed of by the Hon'ble High Court and being State Govt. not challenged the same, the order of the Hon'ble High Court in Writ Petition become final. Now Company is in process of getting exemption certificate from Commercial Tax Department, Madhya Pradesh.

31 Trade Payable includes Bills payable Rs. 85422553 (Previous Year Rs. 55400391).

32 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. 1103241 (Pre. Year Rs. 1219001). The company has not recognized any contingent rent as expense in the statement of profit and loss.

Total future lease rental payable as at balance sheet date

Particulars						2013-14	2012-13
For a period not later than one year						1,171,200.00	1,020,000.00
For a period later than one year						224,400.00	-
For a period later than five years						-	-

Where company is lessor

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

The aggregate amount of operating lease income recognised in the Statement of Profit and Loss is Rs. 2912240 (Pre year Rs. 2664040).

Total future lease rental receivable as at balance sheet date

Particulars						2013-14	2012-13
For a period not later than one year						3,047,940.00	2,912,240.00
For a period later than one year						1,561,140.00	4,410,840.00
For a period later than five years						-	-

33 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 allotement.

34 Earning Per Share (EPS) :-

	2013-14 Rupees	2012-13 Rupees
Net Profit after tax	-127004254	6514576
Nominal Value of each equity share	10	10
Weighted average no. of shares	6968850	6968850
Basic and diluted earning per share	-18.22	0.93

35 Payment to auditors (including service tax) :

Audit Fees	140450	140450
Other Services	27809	42697

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

**ii) M/s Giriraj Bulcon**

2013-14			2012-13		
Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss	Name of the Partners	Balance in Capital A/c Rupees	Percentage of Share in Profit/Loss
Beejay Realtors Pvt. Ltd.	460	0.05%	Beejay Realtors Pvt. Ltd.	460	0.05%
Sarthak Industries Ltd.	461	0.05%	Sarthak Industries Ltd.	461	0.05%
Ajay S Bankda PFC	0	0	Ajay S Bankda PFC	153180	16.65%
Jyoti Bankda	0	0	Jyoti Bankda	153180	16.65%
Arpit Realty Holding Pvt Ltd	306360	33.30%	Arpit Realty Holding Pvt Ltd	306360	33.30%
Savitri Devi Rathi	0	0	Savitri Devi Rathi	153180	16.65%
Ultratech Energy Ltd	612720	66.60%	Ultratech Energy Ltd	153180	16.65%

37 Segment Reporting :

	2013-14			
	L.P.G. Cylinders	Merchant Trading	Other/ Unallocable	Total Amount (Rs.)
<b>(a) Primary Segment - Business</b>				
Segment Revenue	237294762	930916472	5157141	1173368375
	252023196	849111557	12288792	1113423545
Segment Results (PBIT)	8918947	251122	-111381625	-102211556
	12472678	900414	3748343	17121435
Less : Finance Cost				11027091
Profit before Tax				-113238647
				9515921
Less : Tax Expenses				13765607
				7469604
Profit after Tax				-127004254
				2046317
Segment Assets	70176559	236559271	569230595	875966425
	99532123	328146113	494098976	921777212
Segment Liability	39783191	204851352	246752255	491386798
	64637634	294031314	139652378	498321326
Segment fixed assets during the year	1740770		854845	2595615
	1063480		24490	1087970
Segment depreciation	2092148	552391	2455515	5100054
	2378595	745429	2630059	5754083

Previous year figures shown in italic

**(b) Secondary Segment - Geographical**

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

	2013-14 Amount (Rs.)	2012-13 Amount (Rs.)
Domestic Revenue	1173368375	1113423545
Export Revenue	-	-
	1173368375	1113423545

Note :

(i) Unallocable Segment assets exclude the following :

Non Current Investments	1653330	26540859
Advance Tax (net)	3554008	5114607
Deffered Tax Assets	917056	736660

(ii) Unallocable Segment liabilities exclude the following :

Long term Borrowing	7597594	23182907
Short Term Borrowings	78099906	599906
Long Term Provision	1988958	2081692
Short Term Provision	688859	650550

38 Related Party Disclosure :

a. Key management personnel

V.K. Gupta

b. Other Party - Associate

Giriraj Bulcon

Company is a Partner

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

Particulars	41 (a)		41 (b)	
	2013-14	2012-13	2013-14	2012-13
Income :	-	-	-	-
Expenditure :				
Remuneration				
V.K. Gupta	1035743	1018711	-	-
Share of loss as partner	-	-	-	-
Outstanding :				
Investment in partnership firm :				
Giriraj Bulcon	-	-	461	461



	2013-14		2012-13	
	Value	%	Value	%
Imported	0	0	0	0
Indegenous	6207092	100	5402299	100
	2013-14		2012-13	

40 Earnings and Expenditure in foreign currency

Nil Nil

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

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

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

**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).

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES****Basis of Accounting**

The financial statements are prepared as going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

**Use of Estimates**

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

**Revenue Recognition**

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

Sales revenue is recognised on transfer of the 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 recognised on time proportion basis.

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

**FIXED ASSETS :-****(i) Fixed assets :-**

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

**(ii) Capital Expenditure :-**

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

**(iii) Leasehold Land**

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

**Depreciation**

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

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

**Borrowing Cost**

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

**Investments**

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

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

**Valuation of Inventories**

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

**Foreign Currency Transactions**

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

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

**Employee Benefits**

(a) Post-employment benefit plans.

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

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

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

(b) Short term employment benefits

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

**Lease Accounting****As a Lessee**

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

**As a Lessor**

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

**Taxes on Income**

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

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

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

**Segment Accounting**

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

<u>Name of Segment</u>	<u>Comprises of</u>
Cylinders	LPG Cylinders manufacturing and repairing
Merchant Trading	Land, Skimmed Milk Powder, Coal and various commodities
By products related each segment have been included in respective segment.	

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

**Impairment of Assets**

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified

as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Provision, Contingent Liabilities and Contingent Assets**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**Cash Flow Statement**

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

---

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

---

**For and on behalf of the Board of Directors**

**CA Avinash Baxi  
(Partner)  
M. No. 79722  
Place : Indore  
Date : 30th May, 2014**

**CS Amit Jain  
Company Secretary**

**Sartaj Singh Chhabra  
Director  
DIN: 05342507**

**Udesh Dassani  
Director  
DIN: 00511709**

---

**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, 3<sup>rd</sup> 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 30<sup>th</sup> Annual General Meeting of the Company, to be held on the **Wednesday, 10<sup>th</sup> September, 2014** at 3.00 p.m. at Room No. 4, Anna Bhuvan, 3<sup>rd</sup> 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
<b>Ordinary Business</b>	
1.	To receive, consider and adopt Audited Balance Sheet as at 31 <sup>st</sup> March, 2014, the statement of Profit & Loss A/c for the year ended 31 <sup>st</sup> March, 2014 together with the reports of the Board of 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 on a remuneration as may be fixed by the Board of Directors of the Company.
<b>Special Business</b>	
4.	To appoint Mr. Vijay Rathi (DIN: 01474776) as an independent Director of the Company.
5.	To appoint of Mr. Udesb Dassani, Director (DIN: 00511709) as an Independent Director of the Company.
6.	To appoint of Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company.
7.	To authorize the Board of Directors to borrow u/s 180 (1) (c) of the Companies Act, 2013.
8.	To authorize the Board of directors to create mortgage and/or charge on all or any of the immovable and movable properties of the company u/s 180 (1) (a) of the Companies Act, 2013.

Signed this..... day of..... 2014

Affix  
Revenue  
Stamp

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, 3<sup>rd</sup> Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai - 400009 (MH), India

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

**ATTENDANCE SLIP**

ANNUAL GENERAL MEETING ON WEDNESDAY, 10<sup>TH</sup> SEPTEMBER, 2014

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 30<sup>th</sup> Annual General Meeting of the Company at Room No. 4, Anna Bhuvan, 3<sup>rd</sup> Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH), India on Wednesday, 10<sup>th</sup> September, 2014.

-----  
**(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.