



SARTHAK INDUSTRIES LIMITED

**38th Annual Report
2021-22**

CIN	: L99999MH1982PLC136834
BOARD OF DIRECTORS	: Mr. Yogender Mohan Sharma Whole-time Director
	Mr. Udesb Dassani Independent Director
	Mr. Vijay Rathi Independent Director
	Mr. Nimishek Ved Independent Director
	Ms. Deepika Arora Non-Executive Director
COMPANY SECRETARY	: CS Riya Bhandari
CHIEF FINANCIAL OFFICER	: CA Kailash Kumar Agarwal (Upto 30.06.2022) : CA Om Prakash Mundra (w.e.f. 05.07.2022)
BANKERS	: Punjab National Bank HDFC Bank Ltd.
REGISTERED OFFICE	: Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai-400009 (MH) Phone: 022-23486740 Email Id: sarthakindustries@yahoo.in Website: www.sarthakindustries.com
CORPORATE OFFICE	: 214, Trade Centre, South Tukoganj, Indore-452001(M.P.) Phone: 0731-2527949
WORKS	: LPG Cylinder Unit Pithampur Industrial Area, Village Akoliya, District Dhar, (M.P.) Phone: 07292-296766
STATUTORY AUDITORS	: M/s SMAK & Co., Chartered Accountants 120 Trade Centre, South Tukognaj, Indore-452001(M.P.)
COST AUDITORS	: M/s. A. GOYAL AND CO., Cost Accountants
SECRETARIAL AUDITORS	: M/s Ajit Jain & Co., Company Secretaries
REGISTRAR & SHARE TRANSFER AGENT	: M/s Sarthak Global Limited 170/10, Film Colony, R.N.T. Marg, Indore-452001 (M.P.), Phone: 0731-4279626 Email:sgl@sarthakglobal.com
STOCK EXCHANGE LISTING	: The BSE Ltd.

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NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the members of Sarthak Industries Limited will be held on Wednesday, the 07th September, 2022 at 5.00 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the financial statements of the Company for the financial year ended 31st March, 2022 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Deepika Arora (DIN: 07117491) who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s SMAK & Co., Chartered Accountants, (Firm Registration No.: 020120C), be and are hereby re-appointed as Statutory Auditors of the Company for the second term of 1 (one) year from the conclusion of this 38th Annual General Meeting of the Company till the conclusion of the 39th Annual General Meeting on such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby severally authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

SPECIAL BUSINESSES:

4. To ratify and confirm payment of remuneration of Cost Auditors for the financial year ending March 31st, 2023 and in this regard to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such Orders, Rules, Notifications, as may be promulgated by the appropriate authorities in this regard, the remuneration of Rs. 20,000/- (Rs. Twenty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2023 as approved by the Board of Directors of the Company, payable to M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308) for conducting the audit of the cost records of the Company be and is hereby ratified and confirmed."

5. To approve the re-appointment of Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force), the approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Yogender Mohan Sharma (DIN 03644480) as a whole-time Director of the Company for a further period of 3 years with effect from 15th July, 2022 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration within the parameters of the applicable laws or any amendments thereto.

TENURE: 3 (Three) years with effect from 15th July, 2022.

SALARY: Rs. 35,000/- per month.

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

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

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

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

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

RESOLVED FURTHER THAT pursuant to section 196(3) read with Schedule V 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(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby also accorded for holding of office of Whole-time Director by Mr. Yogender Mohan Sharma (DIN-03644480) who has attained the age of 70 (Seventy) years.

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.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Nimishek Ved (DIN: 07362817), who was appointed as an Independent Director of the Company at the 34th Annual General Meeting of the Company and who holds office of the Independent Director up to 30th June 2023 and who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing from 1st July, 2023 to 30th June, 2028.

By order of the Board of Directors

Place: Indore
Dated: 10th August, 2022

RIYABHANDARI
COMPANY SECRETARY
(ACS-55403)

NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated 13th January, 2021 and Circular No. 02/2022 dated May 05, 2022 (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter referred to as "SEBI Circulars") has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 38th Annual General Meeting (the "AGM" or the "Meeting") of Sarthak Industries Limited (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). The deemed venue for the AGM shall be the Registered Office of the Company.

2. Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

3. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULARS, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 38th AGM OF THE COMPANY (THE "NOTICE").**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at Injoshics@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com

4. Register of Members and Share Transfer Books of the Company will remain closed from 27th August, 2022 to 07th September, 2022 (both days inclusive) for the purpose of 38th Annual General Meeting.
5. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item no. 3 to 6 of the notice set out above, is annexed hereto.
6. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. deletion of name, transmission of shares and transposition of shares. Further the Company has complied with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination read with Clarification Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 issued on December 14, 2021 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 on Issuance of Securities in dematerialized form in case of Investor Service Requests. The Company has complied with the requirement laid down in the aforesaid circulars.
8. In terms of the Regulation 40 of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialize shares held by them in physical form. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at <http://www.sarthakindustries.com/formats-for-kyc>. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <http://www.sarthakindustries.com/formats-for-kyc>. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members, who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <http://www.sarthakindustries.com/formats-for-kyc> (under 'Investors' section). Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form.
12. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company at least 10 days before the meeting (i.e. on or before August, 28 2022) through email on sarthakindustries@yahoo.in. The same will be replied by the Company suitably.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
15. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sarthakindustries@yahoo.in.
16. In accordance with the aforesaid MCA Circulars and the SEBI Circulars, the Notice of the AGM alongwith the Annual Report of the Company for the financial year ended March 31, 2022, is being sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Sarthak Global Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2022 shall be available on the websites of the Company viz., www.sarthakindustries.com and of the Stock Exchanges where Equity Shares of the Company are listed. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
17. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. **Voting through electronic means (E-Voting) and E-Voting during the AGM**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and May 05, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

(I) THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step-1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

Step-2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on **Sunday, 04th September, 2022 at 9.00 a.m.** and ends on **Tuesday, 06th September, 2022 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on **31st August, 2022** i.e. cut-off date (record date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step-1: Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and clicks on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL DEPOSITORY	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020990 and 1800224430

Step-2: Access through CDSL e-voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- v. Login method for e-voting and joining virtual meetings for **Physical Shareholders and Shareholders other than individual holding in Demat form.**
1. The shareholders should log on to the e-voting website www.evotingindia.com.
 2. Click on "Shareholders" module.
 3. 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) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 4. Next enter the Image Verification as displayed and Click on Login.
 5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted earlier in voting of any Company, then your existing password is to be used.
 6. If you are a first time user, follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders). ● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA and send an email to the Company at sarthakindustries@yahoo.in to obtain a sequence number for such login, if not available.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders 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.
- viii. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for "SARTHAK INDUSTRIES LIMITED" on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POS, if any uploaded, which will be made available to scrutinizer for verification.

xvii. Additional Facility for Non-Individual Shareholders & Custodians – For Remote Voting only -

- Non-Individual shareholders (i.e. Other than Individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves in the "Corporate" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address **sarthakindustries@yahoo.in**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(II) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **sarthakindustries@yahoo.in**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at **sarthakindustries@yahoo.in**. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

(III) PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id at **sarthakindustries@yahoo.in** or **sgl@sarthakglobal.com** respectively.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
20. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call toll free no. 1800225533.

21. OTHER INSTRUCTIONS

1. Shareholders can update their mobile numbers and e-mail IDs (which may be used for sending future communication(s)) by writing to **sgl@sarthakglobal.com**.

2. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 31st August, 2022 may obtain the login ID and password by sending an email to **sarthakindustries@yahoo.in** or **sgl@sarthakglobal.com** or **helpdesk.evoting@cdslindia.com** by mentioning their Folio No./DP ID and Client ID No.
3. Mr. L. N. Joshi, FCS 5201, Practicing Company Secretary (CP No. 4216) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign the same.
5. Based on the Scrutinizer's Report, the Company will submit within 2 (two) working days of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.sarthakindustries.com** immediately after the declaration of the result by the Chairperson or a person authorized by him in writing and communicated to the Stock Exchange.

By order of the Board of Directors

Place: Indore
Dated: 10th August, 2022

RIYA BHANDARI
COMPANY SECRETARY
(ACS-55403)

ANNEXURE TO THE NOTICE**Explanatory Statement as required under Section 102 of the Companies Act, 2013****Item No. 3:**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the same is strictly not required as per Section 102 of the Companies Act, 2013.

M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C) [Formerly known M/s Atishay & Associates] were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 26th September, 2017, for first term of five consecutive years from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022. The term of office of M/s SMAK & Co., Chartered Accountants as auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The said Auditors were eligible for re-appointment for a second term and they have expressed their willingness for re-appointment for the second term of 1 (one) year.

M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C) has proven track record of successful execution of assignments with due diligence of Multinational and other reputed companies in India. They have vast experience in statutory audit, internal audit of manufacturing companies.

The Board and the Audit Committee considered various parameters while recommending the re-appointment of M/s SMAK & Co. as the Statutory Auditor of the Company including but not limited to their capability to serve the Company, existing experience in the Company's business verticals and segments, technical knowledge, and found M/s SMAK & Co. suited to continue to provide audit services to the Company.

M/s SMAK & Co. have consented to their re-appointment as statutory auditors and have confirmed that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. They have also confirmed that they hold a valid certificate as required under the provisions of Regulation 33 of the Listing Regulations.

Based on the recommendations of the Audit Committee and the Board of Directors of the Company, it is proposed to re-appoint M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C) as the Statutory Auditor of the Company for a second term of 1 (one) year from the conclusion of this 38th AGM till the conclusion of the 39th AGM of the Company to be held in the year 2023.

The remuneration proposed to be paid to M/s SMAK & Co. for the financial year 2022-23 would be in line with the existing remuneration.

Besides the audit services, the Company would also obtain certification from the statutory auditors under various statutory regulation and certification required by clients, banks, statutory auto rites, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee.

The Board of directors, in consultation with the audit committee, may alter and vary their terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

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

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

Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. A. GOYAL AND CO., Cost Accountants (Firm Registration No. 101308), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses.

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

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

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

Item No. 5:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 04th July, 2022, re-appointed Mr. Yogender Mohan Sharma (DIN-03644480) as a Whole-time Director of the Company for a period of 3 years with effect from 15th July, 2022, subject to approval of the Members.

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

Mr. Yogender Mohan Sharma also attained the age of 70 years therefore the consent of the members by way of special resolution also required under the provisions of Section 196 (3) (a) of the Companies Act, 2013. Mr. Yogender Mohan Sharma has been serving as a Director of the Company since 2014. He has been actively involved in the operations of the Company and has rich experience of over 40 years of managerial level in manufacturing units. It would be in the interest of the Company to continue the employment of Mr. Yogender Mohan Sharma as Whole-Time Director of the Company.

Pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, Details of Directors seeking appointment/ re-appointment at the ensuing Meeting are provided and forms a part of the Notice.

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

GENERAL INFORMATION**(I) Nature of Industry**

Company is engaged in manufacturing of LPG Cylinders. The LPG cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited and also to private companies. Apart from this, Company is also engaged in trading of agri-commodities, mining and mineral based industry on opportunity basis.

- (ii) Date of Commencement of commercial production
The Company has started its commercial production in the year 1982.
- (iii) In the case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Not Applicable.
- (iv) Financial Performance based on given indicators
Figures of revenue and profit recorded during last five financial years are as follows:

(Rs. in Lacs)

Financial Year	Revenue from operations	Profit before Tax	Profit after Tax
2021-22	16364.52	228.43	167.92
2020-21	13354.29	294.02	209.24
2019-20	9556.04	400.95	270.99
2018-19	11195.67	118.51	44.90
2017-18	12109.59	215.50	175.57

(v) Foreign investments or collaborators, if any

The Company has invested in Paras Industries (Private) Limited, Sri Lanka and holds 19,49,284 ordinary shares representing 8.87% as on 31.03.2022. As per the shareholding pattern of the Company as on March 31, 2022, one Overseas Corporate Bodies holds 4,66,540 equity shares representing 6.69% and 4 Non Resident Indian hold 767 equity shares representing 0.01% of the paid-up equity share capital of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

Name of Director	Mr. Yogender Mohan Sharma (DIN-03644480)
Background Details	Mr. Yogender Mohan Sharma, aged 71 years, is bachelor in science and having more than 40 years experience of managerial level in manufacturing units.
Past Remuneration	Rs. 4,20,000/- during FY 2021-22
Recognition or Award	Nil
Job profile and his suitability	As Whole-time Director of the Company, Mr. Yogender Mohan Sharma is responsible for the management of the Company, subject to the superintendence, guidance and control of the Board of Directors. Taking into account his previous experience, educational background, knowledge about the industry and the nature and size of operations of the Company, he is a fit and proper person as the Whole-time Director of the Company.
Remuneration Proposed	The remuneration details are provided in the resolution.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Taking into consideration the size of the Company, the profile of Mr. Yogender Mohan Sharma, the responsibilities shouldered on him and the industry benchmarks, the proposed remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable companies.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Yogender Mohan Sharma has no pecuniary relationship directly or indirectly with the Company or key managerial personnel of the Company except his remuneration in the capacity of a Whole-Time Director. He does not hold any equity share of the Company.

III. OTHER INFORMATION:

- (1) Reasons for loss or inadequate profits
- Global economic slowdown
- Higher finance cost
- Increase in raw material cost
- (2) Steps taken or proposed to be taken for improvement
The Company has initiated various steps to improve its operational performance/liquidity, including cost control measures have been put in place. Company has drastically reduced credit facilities and various realignment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost.
- (3) Expected increase in productivity and profit in measurable terms
Based on the current business plans, strict cost control measures, availability of banking limits and continued support from the Promoters, the Company believes that it would be able to sustain the volatile market conditions and emerge successfully in terms of good turnover and profits in the days to come.

IV. DISCLOSURES:

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

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

Save and except Mr. Yogender Mohan Sharma, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Special Resolution set out at Item No. 5 of the Notice.

Item No. 6:

In the 34th Annual General Meeting held on 24.09.2018, Mr. Nimishek Ved (DIN: 07362817) was appointed as Independent Directors of the Company for a term of five years w.e.f. 30.06.2018.

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

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

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

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

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

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

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

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

By order of the Board of Directors

Place: Indore
Dated: 10th August, 2022

RIYA BHANDARI
COMPANY SECRETARY
(ACS-55403)

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

Name of Director	MS. DEEPIKA ARORA (DIN: 07117491)	MR. YOGENDER MOHAN SHARMA (DIN: 03644480)	Mr. NIMISHEK VED (DIN: 07362817)
Date of Birth	03.05.1983	15.10.1951	04.04.1980
Age	38 years	71 years	42 years
Date of first appointment	16.03.2015	15.07.2014	27.11.2017
Expertise / Experience in specific functional areas	She is having vast experience in the field of finance.	He is having over 40 years experience of managerial level in manufacturing units.	He is having more than 20 years of experience in Infrastructure, Telecom, Real Estate, Dairy, Transaction Advisory, M&A, Project Funding, Government projects under PPP Model including BOT, Annuity, DBFOT projects, worked in MNC at senior position as CEO for its Indian operation including business integration.
Qualification	C.A.	B.Sc.	C.A.
Terms and Conditions of Appointment/ Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting held on 22 nd September, 2015.	As provided in the resolution at item no. 5 of the Notice of this Annual General Meeting read with explanatory statement thereto.	As provided in the resolution at Item No. 6 of the Notice of this Annual General Meeting.
Remuneration last drawn (Sitting fee during 2021-22)	Rs. 9,000/- as Sitting Fee during the financial year 2021-22.	Rs. 4,20,000/- during FY 2021-22.	Rs. 9,000 as Sitting Fee during the financial year 2021-22.
Remuneration proposed to be paid	As per existing terms and conditions.	As provided in the resolution at item no. 5 of the Notice of this Annual General Meeting read with explanatory statement thereto.	As provided in the resolution at Item No. 6 of the Notice of this Annual General Meeting.
No. & % of Equity Shares held in the Company (as on 31.03.2022).	Nil	Nil	Nil
Directorship in other Companies (As on 31.03.2021)2	Nil	Sarthak Global Ltd.	Nil
Number of Meetings of the Board attended during the year.	4 out of 8	7 out of 8	7 out of 8
Chairman / Member of the Committees of the Board Directors of other Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Chairman of Stakeholders' Member Relationship Committee and Member Relationship Committee and of Audit Committee of Sarthak Global Limited	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Nil	Member of Audit Committee, Stakeholders' Relationship Committee and Chairman of Risk Management Committee of the Company	Member of Nomination & Remuneration Committee and Risk Management Committee.
Relationship between directors inter-se.	Not related to any director of the Company	Not related to any director of the Company	Not related to any director of the Company

By order of the Board of Directors

Place: Indore
Dated: 10th August, 2022

RIYA BHANDARI
COMPANY SECRETARY
(ACS-55403)

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

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 38th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2022.

FINANCIAL SUMMARY

The performance of the Company for the financial year ended on 31st March, 2022 is summarized below:

[Rs. In Lacs (Except EPS)]

Particulars	2021-22	2020-21
Revenue from operations	16364.52	13354.29
Other Income	247.62	176.86
Profit/ (Loss) before Depreciation, Finance Cost, Exceptional items & Tax Expenses	431.46	452.30
Less: Depreciation	80.19	66.36
Profit/ (Loss) before Finance Cost, Exceptional Items and Tax Expenses	351.27	385.94
Less: Finance Cost	122.84	91.92
Profit/ (Loss) before Exceptional Items and Tax Expenses	228.43	294.02
Add/ (Less): Exceptional items	-	-
Profit/ (Loss) before Tax Expenses	228.43	294.02
Less: Tax Expenses	60.51	84.78
Profit/ (Loss) after Taxation	167.92	209.24
Add/ (Less): Other Comprehensive Income	20.97	96.25
Total Comprehensive Income	188.89	305.49
Balance brought forward from previous year	3063.70	2758.21
Amount available for appropriation	3252.59	3063.70
APPROPRIATION	-	-
Amount Carried to Balance sheet	3252.59	3063.70
Paid Up Equity Share Capital	696.89	696.89
Earnings Per share [EPS] (Rs. 10/- each) Basic & Diluted (in Rs.)	2.41	3.00

INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April, 2017. The financial statements of the Company for the financial year 2021-22 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the other recognized accounting practices and policies to the extent applicable.

DIVIDEND

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

AMOUNT TRANSFERRED TO RESERVE

The Board of Directors has not proposed any amount for transfer to reserves for the year ended 31st March 2022.

CHANGE IN NATURE OF BUSINESS

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

OPERATIONS

During the year under review, Revenue from operations and Other Income of the Company stood at Rs. 16,612.14 Lacs showing increasing trend over the previous year Revenue from operations and Other Income Rs. 13,531.15 Lacs. Profit before tax has decreased and stood at Rs. 228.43 Lacs as compared to previous year figures Rs. 294.02 Lacs and Net Profit also decreased and stood at Rs. 167.92 Lacs as compared to previous year net profit Rs. 209.24 Lacs. Your Directors are hopeful for better performance in the coming years.

COVID-19 PANDEMIC

In view of the Covid-19 pandemic, there have been several restrictions imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures.

The Company is primarily engaged in business of manufacturing of LPG cylinders and trading of Agri and Non Agri Commodities. This COVID-19 pandemic has impacted the operations of the company during the year ended on 31st March, 2022. Based on the facts and circumstances existing as of that date, the company does not anticipate any material uncertainties associated with its nature and duration. The management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.

DEPOSITS

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

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

SHARE CAPITAL

During the year under review, the Company has not raised any paid up share capital. The Paid up Equity Share Capital as at 31st March 2022 stood at Rs. 6,96,88,500/-. The Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

INSURANCE

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

HUMAN RESOURCE & INDUSTRIAL RELATIONS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

- i) That in the preparation of the annual accounts for financial year ended 31st March, 2022; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit/loss of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis;
- v) That the Directors have laid down internal financial controls, which are adequate and are operating effectively;
- vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/ Reappointment:

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

Mr. Nimishek Ved (DIN: 07362817) was appointed as an Independent Director of the Company for the first term of five years effective from 30th June, 2018. His office of directorship is due for retirement on 29th June, 2023. The Board, based on the performance evaluation of his first term of five years and considering the knowledge, acumen, expertise and as per the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Mr. Nimishek Ved for second term of 5 (five) consecutive years commencing from 30th June, 2023 to 29th June, 2028 for approval by the Shareholders.

The Board re-appointed Mr. Yogender Mohan Sharma as Whole-time Director for a period of 3 years w.e.f. 16.07.2022 subject to approval of member in general meeting. The Board proposes to re-appoint him in this annual general meeting.

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

Ms. Riya Bhandari has been appointed as whole-time Company Secretary of the Company w.e.f. 01.04.2021.

Declaration by directors:

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

Declaration by Independent Directors:

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

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline. They have also confirmed that they will appear for the online proficiency test, wherever applicable.

LISTING OF SHARES

The equity shares of the Company are listed on the BSE Limited (BSE). The listing fee for the year 2021-22 has already been paid to the Stock Exchange.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on 31.03.2022, the Company does not have any subsidiary company or joint venture or associate company.

NUMBER OF MEETINGS OF THE BOARD

The Board met 8 times during the financial year. The details of which are given in the Corporate Governance Report that forms part of this annual report. The intervening gap between any two Meetings was within the period prescribed under the Companies Act, 2013.

MEETING OF INDEPENDENT DIRECTORS

During the year under review, one meeting of the Independent Directors was held on 14.02.2022, without the attendance of Executive Directors and members of management. All the Independent Directors were present in that meeting.

CODE OF CONDUCT

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

BOARD EVALUATION

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

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

FAMILIARIZATION PROGRAMME

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

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

PARTICULARS OF THE EMPLOYEES AND RELATED DISCLOSURES

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

During the year under review, none of the employee of the company is drawing more than Rs.1,02,00,000/- per annum or Rs. 8,50,000/- per month for the part of the year. The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure forming part of this Report. In terms of the first provision to Section 136 of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

AUDIT COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The details of risk have been covered in the Management Discussion and Analysis Report forming part of the Board's report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDITORS & AUDITORS REPORT

M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C) [Formerly known M/s Atishay & Associates] were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 26th September, 2017, for first term of five consecutive years from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2022. The term of office of M/s SMAK & Co., Chartered Accountants as auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The said Auditors were eligible for re-appointment for a second term and they have expressed their willingness for re-appointment for the second term of 1 (one) year.

Therefore, Pursuant to provisions of Section 139 of the Companies Act, 2013, the Board of Directors of the Company, on the recommendation of the Audit Committee, have recommended the re-appointment of M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C), as the Statutory Auditors of the Company to the Members at the 38th Annual General Meeting of the Company for the second term of 1 (one) years. Accordingly, a resolution, proposing re-appointment of M/s SMAK & Co., Chartered Accountants, (Firm Registration No. 020120C), as the Statutory Auditors of the Company for a term of 1 (one) year i.e. from the conclusion of 38th Annual General Meeting till the conclusion of 39th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice calling 38th Annual General Meeting of the Company. In this regard, the Company has received a certificate to the effect that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. They have also confirmed that they hold a valid certificate as required under the provisions of Regulation 33 of the Listing Regulations.

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

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

COST AUDIT

The Board has appointed M/s A. Goyal & Co., Cost Accountants, (Firm Registration No. 101308) as Cost Auditors of the Company for conducting the audit of cost records maintained by the Company for the financial year 2022-23. The Cost Audit Report for the year 2020-21 was filed with the Central Government with additional fee.

INTERNAL AUDITORS

Internal Audit for the year ended March 31, 2022 was done by M/s 'S K Malani & Co' (Firm Registration Number: 159090W). The Board takes his suggestions and recommendations to improve and strengthen the internal control systems. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The Board has appointed M/s 'S K Malani & Co.' (Firm Registration Number: 159090W), as Internal Auditor of the company for the year ended March 31, 2023.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Ajit Jain & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year 2021-22 is annexed herewith as "Annexure D" forming part of this report.

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

PREVENTION OF INSIDER TRADING

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

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2022.

SIGNIFICANT AND MATERIAL ORDERS

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

APPLICATION OR PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There is no application made or no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

SECRETARIAL STANDARDS

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

IMPLEMENTATION OF CORPORATE ACTION

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

CREDIT RATING

Credit rating obtained along with revisions thereto for bank facilities of the Company during FY 2021-22 as under:

S. No.	Rating Agency	Facilities	Credit Rating
1.	India Ratings and Research Private Limited	Non- Fund- Based limit	INDA4+

The Credit Rating has been upgraded during the financial year 2021-22 as under:

S. No.	Facilities	As on 01.04.21 by CARE Rating Limited	As on 31.03.22 by India Rating & Research Private Limited
1.	Non -Fund -Based -Limit	CARE A4 (A Four)	INDA4+

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, the annual return is available at Company's website http://www.sarthakindustries.com/Annual_return.html.

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

The Company has in place an anti harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under the policy. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on sexual harassment. There was no complaint received from any employee during the financial year 2021-22 and hence no complaint is outstanding as on 31.03.2022 for redressal.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

YOGENDER MOHAN SHARMA

Whole-time Director
DIN: 03644480

DEEPIKA ARORA

Director
DIN: 07117491

Place: Indore

Dated: 10th August, 2022

ANNEXURE 'A' TO BOARD'S REPORT

Information as per section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2022 are as under.

(A) Conservation of energy-**(i) The steps taken or impact on conservation of energy:**

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

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

No steps taken during the year 2021-22.

(iii) The capital investment on energy conservation equipments:

No Capital investment on energy conservation equipments during the year 2021-22.

(B) Technology absorption-**(i) The efforts made towards technology absorption:**

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

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

The main benefits derived are Quality improvement and Cost reduction.

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

The Company's operations do not require import of technology

(iv) The expenditure incurred on Research and Development:

No expenses have been incurred on Research and Development during the year 2021-22.

(C) Foreign exchange earnings and Outgo

During the year under review, the foreign exchange outgo was Rs. 11,099.55 Lacs (Previous Year Rs. 8,136.13 Lacs) and the foreign exchange earning was Rs. 421.08 Lacs (Previous year Rs. 532.96 Lacs).



ANNEXURE 'B' TO BOARD'S REPORT

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

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

Executive Director	Ratio of median remuneration
Mr. Yogender Mohan Sharma	2.36
Non-Executive Director	
Mr. Udesb Dassani	0.07
Mr. Vijay Rath	0.08
Ms. Deepika Arora	0.05
Mr. Nimishek Ved	0.05

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

Name of Directors, CFO and Company Secretary	% increase in the remuneration in the financial year 2021-22
Mr. Yogender Mohan Sharma (Whole-time Director)	Nil*
Mr. Udesb Dassani (Non-Executive Independent Director)	Nil
Mr. Vijay Rath (Non-Executive Independent Director)	Nil
Ms. Deepika Arora (Non-Executive Director)	Nil
Mr. Nimishek Ved (Non-Executive Director)	Nil
Mr. Kailash Kumar Agarwal (Chief Financial Officer)	14.03%
Ms. Riya Bhandari (Company Secretary)**	--

* Remuneration revised and as compared to previous year it is decreased by 60.59%.

** Appointed w.e.f. 01.04.2021. Since the remuneration is only for part of the year, the percentage increase in remuneration is not comparable and hence, not stated.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 9.37 %.

- (iv) The number of permanent employees on the rolls of Company: 32

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 27.52% whereas there is no percentile increase in the managerial remuneration for the same financial year.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that remuneration is as per the remuneration policy of the Company.

ANNEXURE 'C' TO BOARD'S REPORT**NOMINATION AND REMUNERATION POLICY**

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

DEFINITIONS

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

"Board" means Board of Directors of the Company.

"Company" means "Sarthak Industries Limited".

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

"Directors" means Directors of the Company.

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

"Key Managerial Personnel" means:

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

ROLE OF THE COMMITTEE

The role of the Committee is as under:

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

POLICY FOR APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:**I. Appointment criteria and qualifications**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- (c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the Listing Agreement.
- (d) The proposed appointee shall also fulfill the following requirements for appointment as a director:
 - i. Shall possess a Director Identification Number;
 - ii. Shall not be disqualified under the Companies Act, 2013;
 - iii. Shall give his written consent to act as a Director;
 - iv. Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

- v. Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- vi. Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

II. Removal

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

III. Retirement

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

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

I. Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

II. Remuneration to Non-Executive and Independent Directors

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

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

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

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

III. Remuneration to other employees

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

REVIEW AND AMENDMENT

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

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

ANNEXURE 'D' TO BOARD'S REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sarthak Industries Limited (CIN: L99999MH1982PLC136834)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year 01st April, 2021 to 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sarthak Industries Limited** ("the Company") for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share based employee benefits and sweat equity) Regulations, 2021 (**Not applicable to the Company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);
- (vi) Other Laws applicable to the Company as per the representations made by the management.

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

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

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

We further report that

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

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

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

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

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

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

Place: Indore
Date: 10th August, 2022

For Ajit Jain & Company
(Company Secretaries)

Ajit Jain
(Proprietor)
FCS No.: 3933; C P No.: 2876
UDIN- F00393D000741714
Peer Review Certificate No.: 767/2020
PCS Unique ID NO. : S1998MP023400

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

Annexure I to Secretarial Audit Report

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

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

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

Place: Indore
Date: 10th August, 2022

For Ajit Jain & Company
(Company Secretaries)

Ajit Jain
(Proprietor)
FCS No.: 3933; C P No.: 2876
UDIN- F00393D000741714
Peer Review Certificate No.: 767/2020
PCS Unique ID NO. : S1998MP023400

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, non 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.

The global economy recovered strongly in the year 2021-22 even as new variants of the COVID-19 virus fueled additional waves of the pandemic. During the year 2021-22, the Company's performance showing increasing trend in turnover but decreasing in profitability as compared to last year. Looking at global economic slowdown and other factors, the performance of Company is satisfactory. The Management is hopeful that Company's future is bright in the coming years.

According to the global economic outlook published by the IMF, Global growth is projected to slow from 6% in 2021 to 4.9% in 2022 and 3.6% in 2023 (according to IMF). War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies.

Opportunities and Threats

COVID-19 pandemic and Russia-Ukraine war has surely impacted the economic growth of world. Accordingly as of 31st March 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.

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

The future performance of your Company would depend to a large extent on its ability to successful diversification, market of commodities. We are hopeful that through the combination of market developments and expansion activity, there will be healthy growth over the next few years. Due to COVID-19 pandemic and Russia-Ukraine war, the situation is uncertain and it is difficult to predict when economies will fully normalise. Hence, FY23 is likely to be a challenging year.

Segment-wise or product-wise performance

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

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

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

Outlook

Due to COVID-19 pandemic and Russia-Ukraine war, the financial year 2022-23 will be a challenging year for the global economy as well as Indian economy. The Management is hopeful that in future, the Company will grow its manufacturing and trading activities and will get good orders for the manufacturing of cylinders as well as repairing of old cylinders.

Risk and concerns

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

Internal control system and their adequacy

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

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

Financial Performance

The performance of the Company for the financial year 2021-22 is summarized below:

Financial Performance

The performance of the Company for the financial year 2021-22 is summarized below:

(Rs. in Lacs)

	Balance Sheet	As at March 31, 2022	As at March 31, 2021
a.	Property, Plant and Equipment	478.18	349.38
b.	Right-of-use assets	1.87	1.94
c.	Capital Work-in-progress	149.38	149.38
d.	Intangible assets	0.36	0.67
e.	Financial assets	453.66	383.23
f.	Deferred tax assets (net)	1.78	4.31
g.	Other Non-current assets	1529.64	1176.45
h.	Current assets	5293.61	4927.38
i.	Non current assets held for sale	-	-
j.	Total Equity	3949.49	3760.59
k.	Non- current liabilities	84.86	51.62
l.	Current liabilities	3874.13	3180.53
m.	Liabilities directly associated with assets classified as held for sale	-	-

Summarized Profit and Loss Account

(Rs. in Lacs)

Particulars	2021-22	2020-21
Revenue from operations	16364.52	13354.29
Other Income	247.62	176.86
Profit/ (Loss) before Depreciation, Finance Cost, Exceptional items & Tax Expenses	431.46	452.30
Less: Depreciation	80.19	66.36
Profit/ (Loss) before Finance Cost, Exceptional Items and Tax Expenses	351.27	385.94
Less: Finance Cost	122.84	91.92
Profit/ (Loss) before Exceptional Items and Tax Expenses	228.43	294.02
Add/ (Less): Exceptional items	-	-
Profit/ (Loss) before Tax Expenses	228.43	294.02
Less: Tax Expenses	60.51	84.78
Profit/ (Loss) after Taxation	167.92	209.24
Add/(Less): Other Comprehensive Income	20.97	96.25
Total Comprehensive Income	188.89	305.49
Balance brought forward from previous year	3063.70	2758.21
Amount available for appropriation	3252.59	3063.70
APPROPRIATION	--	-
Amount Carried to Balance sheet	3252.59	3063.70
Paid Up Equity Share Capital	696.89	696.89
Earnings Per share (Rs. 10/- each) Basic & Diluted (in Rs.)	2.41	3.00

Material development in Human Resources / Industrial Relations front

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

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

The number of permanent employees on the rolls of Company as on 31.03.2022 is 32.

KEY FINANCIAL RATIOS ANALYSIS

Details of key financial ratios are as follows:

S. No.	Particulars	FY 2022	FY 2021	Remarks
1	DEBTORS TURNOVER RATIO	10.79	7.80	Debtors turnover ratio increased due to higher sales
2	INVENTORY TURNOVER RATIO	20.12	16.66	Inventory turnover ratio also increased due to higher sales
3	INTEREST COVERAGE RATIO	30.06	6.72	ratio increased during the year due to reduction in interest cost
4	CURRENT RATIO	1.37	1.55	Current ratio decreased during the year due to increase in current liabilities.
5	DEBT EQUITY RATIO	0.03	0.02	Ratio decreased due to new loan taken during the year.
6	OPERATING PROFIT MARGIN (%)	2.15%	2.89%	Decreased due to lower profitability during the year
7	NET PROFIT MARGIN (%)	1.03%	1.57%	Decreased due to lower profitability during the year
8	RETURN ON NET WORTH %	4.25%	5.56%	Decreased due to lower profitability during the year

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 REPORT

COMPANY'S PHILOSOPHY

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

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

BOARD OF DIRECTORS

The number of independent directors is 60% of the total number of Directors. The number of non-executive Directors is 80% of the total number of Directors.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee), across all the Companies in which he/ she is a Director.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the period and at the last Annual General Meeting, No. of Directorship/ Committee Positions held in other Public Limited Companies, No. of shares held and Directorship in other listed entities along with Category as on 31.03.2022 are given below:

A) COMPOSITION AND CATEGORY OF DIRECTORS

Name of the Director	Category	Attendance		No. of Directorship/ Committee Positions held in other Public Limited Companies.			No. of Shares held by Non-Executive Director as on 31.03.22	Directorship in other listed entities (Category of Directorship)
		Board	Last AGM	Directorship	No. of Membership in Committee*	No. of Post of Chairperson in Committee*		
Mr. Yogender Mohan Sharma	Whole-time Director	07	Yes	01	02	01	Nil	SARTHAK GLOBAL LIMITED (Independent Director)
Mr. Vijay Kumar Rathi	Independent Director	06	Yes	01	02	02	Nil	ANIK INDUSTRIES LIMITED (Independent Director)
Mr. Udesb Dassani	Independent Director	04	Yes	02	02	02	Nil	Nil
Ms. Deepika Arora	Non-Executive Director	04	No	--	--	--	Nil	Nil
Mr. Nimishek Ved	Independent Director	07	Yes	--	--	--	Nil.	Nil

* Represents Chairmanships/Memberships of Audit Committee and Stakeholders Relationship Committee. The membership count include the count in which the director is Chairperson.

Relationship between directors interse

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

Familiarisation Programmes

The details of familiarisation programmes imparted to independent directors are available at the website of the Company at the link:

http://www.sarthakindustries.com/upload/investors_file/CT11618510626.pdf

Skills/expertise/Competence of the Board of Directors

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

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

S.No.	Name of Director	Expertise / Skill
1.	Mr. Yogender Mohan Sharma	Running Manufacturing units, Sales and Marketing, Liasioning, Leadership, Environmental Accountability
2.	Mr. Vijay Kumar Rathi	Stock audits, Internal Audit, Tax and Regulatory reforms, Banking
3.	Mr. Udesb Dassani	Accounts and audit, Corporate Finance, Banking
4.	Ms. Deepika Arora	Finance and allied matters, Corporate Management, Corporate Governance
5.	Mr. Nimishek Ved	Real Estate, Project Funding, Government projects, Strategic private equity investment, Risk Management

Confirmation for Independent Directors

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

Further as per the provisions of Companies Act, 2013, Independent Directors were appointed for a term of (Five) years, but shall be eligible for re-appointment by passing of a special resolution by the Company and shall not be eligible to retire by rotation.

Mr. Nimishek Ved (DIN: 07362817), who is eligible for re-appointment as an independent director, has submitted a declaration that he meets the criteria for independence as provided in the Act and Regulations. The special resolution is proposed at this Annual General Meeting for his reappointment to hold office for second term of 5 (five) consecutive years from July 01st, 2023 to June 30th, 2028.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval for the re-appointment of Directors are also included in the Notice.

B) BOARD PROCEDURE

During the financial year 2021-22, the Board of Directors met 8 times on the following dates: 15th June 2021, 30th June 2021, 14th August 2021, 05th October, 2021, 13th November 2021, 27th December 2021, 14th February 2022 and 27th March 2022. The gap between two meetings did not exceed one hundred twenty days. The dates of meetings were generally decided in advance.

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

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

BOARD COMMITTEES

Presently the Board has following committees:

A) AUDIT COMMITTEE

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

a) Members of Committee:

The Composition of Audit Committee as on 31.03.2022 is as under:

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

The Company Secretary is the Secretary of the Committee.

b) Brief terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act,
 - ii. Changes, if any, in accounting policies and practices and reasons for the same,
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management,
 - iv. Significant adjustments made in the financial statements arising out of audit findings,
 - v. Compliance with listing and other legal requirements relating to financial statements,
 - vi. Disclosure of any related party transactions,
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
21. To review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
22. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

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

c) Mr. Vijay Rathi, Chairman of the Audit Committee was present in previous Annual General Meeting held on 15th September, 2021 to answer member's queries.

d) Dates of the Audit Committee meetings and attendance:

The Committee met 6 (Six) times during the year on the following dates:

10th June, 2021; 30th June 2021; 14th August, 2021; 05th October 2021; 13th November 2021 and 14th February 2022.

Mr. Vijay Rathi, Mr. Yogender Mohan Sharma and Mr. Udesb Dassani have attended all the 6 (Six) meetings.

B) NOMINATION AND REMUNERATION COMMITTEE

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

a) Members of Committee:

The Composition of Nomination and Remuneration Committee as on 31.03.2022 is as under:

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

b) Brief terms of reference:

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

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

The Committee met 2 (Two) times during the year on the following dates:

14th August 2021 and 27th March 2022.

Mr. Vijay Rathi and Mr. Nimishek Ved have attended all the 2 (Two) meetings. Mr. Udesb Dassani has attended 1 (One) meeting.

d) The details relating to remuneration of Directors, as required under the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, have been given under a separate heading, viz. 'DETAILS OF REMUNERATION TO DIRECTORS' in this report.

e) The Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and others matters is attached as "Annexure C" to the Board's Report.

f) Performance Evaluation Criteria for Independent Directors:

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

C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

a) Members of Committee:

The Composition of Stakeholders' Relationship Committee as on 31.03.2022 is as under:

Mr. Vijay Rath	:	Chairman
Mr. Udes	:	Member
Mr. Yogender Mohan Sharma	:	Member

b) Name and designation of compliance officer: Ms. Riya Bhandari, Company Secretary.

c) During the financial year 2021-2022, the committee held 4 (Four) meetings on following dates:

10th June 2021; 31st August 2021; 13th November 2021 and 14th February 2022.

Mr. Vijay Rath and Mr. Yogender Mohan Sharma have attended all the 4 (Four) meetings. Mr. Udes Dassani has attended 3 (Three) meetings.

d) No investor complaints were received during the financial year 2021-22. All valid share transfers received during the year 2021-22 have been acted upon by the Company and as on 31st March, 2022 there were Nil shares pending for transfer.

D) RISK MANAGEMENT COMMITTEE

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

a) Members of Committee:

The Composition of Risk Management Committee as on 31.03.2022 is as under:

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

b) The Committee met two times during the year on 14th August, 2021 and 05th February, 2022.

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

DETAILS OF REMUNERATION TO DIRECTORS

A. REMUNERATION TO EXECUTIVE DIRECTORS

The particulars of remuneration of executive director during the financial year 2021-22 are as under

(Rs. in Lacs)

Name	Designation	Salary	Perquisites	Total
Mr. Yogender Mohan Sharma	Whole-time Director	4.20	-	4.20

As on 31st March, 2022, Non executive Directors were holding Nil Shares of the Company.

B. REMUNERATION TO NON-EXECUTIVE DIRECTOR

The Non-Executive Directors are paid sitting fees for every meeting of the Board and/or Committee attended by them. No commission was paid or payable to the Non-Executive Directors during the financial year 2021-22.

The sitting fees paid to all Non-Executive Directors for attending meetings of the Board and/or Committee thereof for the year ended 31.03.2022 is as follows:- Mr. Vijay Rath – Rs. 0.15 Lacs, Mr. Udes Dassani – Rs. 0.12 Lacs, Mr. Nimishek Ved Rs. 0.09 Lacs and Ms. Deepika Arora – Rs. 0.09 Lacs.

Service Contracts, Severance Fees and Notice Period

Mr. Yogender Mohan Sharma has been re-appointed as whole-time director of the company subject to approval of members in the ensuing Annual general Meeting of the Company for a further period of 3 years w.e.f 15th July, 2022 by Board of Directors.

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

Stock Option details

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

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, one meeting of the Independent Directors was held on 14.02.2022, without the attendance of Executive Directors and members of management. All the Independent Directors were present in that meeting.

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

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



GENERAL BODY MEETINGS

Annual General Meetings

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

YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2020-21	Annual General Meeting Held through VC/OAVM. The registered office of the company was deemed to be the venue of the AGM	15/09/2021	05.00 p.m.	Special Resolution passed for approving continuation of Mr. Yogendra Mohan Sharma at the post of whole-time Directors in the company after attaining the age limit of 70 years.
2019-20	Annual General Meeting Held through VC/OAVM. The registered office of the company was deemed to be the venue of the AGM	28/09/2020	05.00 p.m.	No special resolution passed
2018-19	Room No. 4, Anna Bhuvan, 3 rd Floor, 87C Devji Ratansi Marg, Dana Bunder, Mumbai- (MH) – 400 009	27/09/2019	01:00 p.m.	Special Resolution passed for re-appointment of Mr. Yogendra Mohan Sharma as Wholetime Directors of the Company.

Extra-ordinary General Meeting

During the financial year 2021-22, no Extra Ordinary General Meeting of the Company was held.

Postal Ballot

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

MEANS OF COMMUNICATIONS

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

GENERAL SHAREHOLDERS INFORMATION

Date, Time & Venue of the Annual General Meeting

Day and Date: Wednesday, 07th September, 2022 at 5:00 p.m.

Venue: The Company is conducting meeting through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") pursuant to MCA Circulars. For details, please refer Notice of this AGM.

The proceedings of the AGM shall be deemed to be conducted at the registered office of the Company situated at Room No. 4, Anna Bhuvan, 3rd Floor, 87C Devji Ratansi Marg, Dana Bunder Mumbai (MH) - 400 009, which shall be the deemed venue of AGM.

Financial Year

01st April, 2021 – 31st March, 2022

Dividend Payment Date

No Dividend was recommended by the Board of the Directors for financial 2021-22.

Financial Calendar

Financial Reporting (tentative) for Quarter ending

June 30, 2022	-	August, 2022
September 30, 2022 -	-	November, 2022
December 31, 2022	-	February, 2023
March 31, 2023	-	May, 2023

Date of book closure

27th August, 2022 to 07th September, 2022 (Both days inclusive)

Listing on Stock Exchanges

The BSE Ltd. (BSE)

25th Floor, P.J. Towers, Dalal Street, Mumbai - 400001

Listing fees

Paid to the BSE Limited (BSE) for the financial year 2021-22.

Company's Code / Symbol / Series on Stock Exchange

The BSE Ltd.: (Stock Code: 531930)

Electronic connectivity

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

ISIN No. at NSDL / CDSL

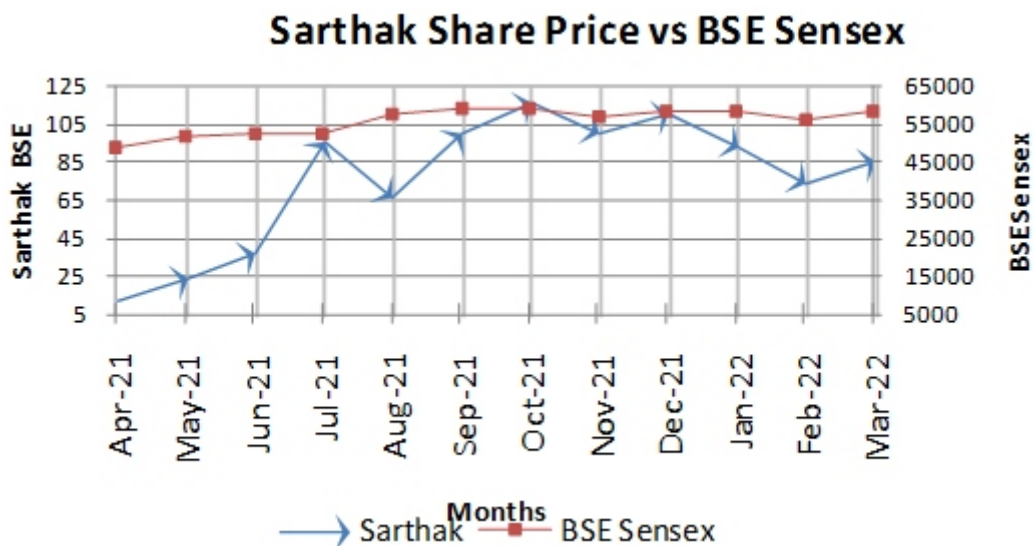
INE 074 H01012

Market Price Data

The monthly high & low share prices of the Company traded at the Bombay Stock Exchange from 1st April, 2021 to 31st March, 2022 are

Month	The Bombay Stock Exchange Ltd.	
	Month High Price (Rs.)	Month Low Price (Rs.)
April-21	12.39	11.80
May-21	24.21	13.00
June-21	36.75	24.65
July-21	96.05	37.45
August-21	141.65	66.05
September-21	117.45	56.70
October-21	141.30	93.70
November-21	122.05	95.75
December-21	112.00	91.65
January-22	113.25	89.00
February-22	102.20	66.00
March-22	101.95	70.50

Share Price Performance in comparison to BSE Sensex as on March 31, 2022



Suspension of Securities

Nil

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

Sarthak Global Limited

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(M.P.) – 452 001; Tel : + 91- 731- 2523545

Fax: + 91-731- 2526388; Email: sgl@sarthakglobal.com

Website: www.sarthakglobal.com

Share transfer system

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

Nodal Officer (For the purpose of IEPF)

Name : Riya Bhandari, Company Secretary

Email address : sarthak@sarthakindustries.com

Distribution of Equity Shareholding and its pattern as on 31st March, 2022

Distribution of Equity Shareholding 31.03.2022			
Share Class		No. of Equity Shares	
No. of Shares	No. of Holders	No. of shares held	Share-holding %
Up to 500	737	176857	2.54
501-1000	151	124327	1.78
1001-2000	15	21161	0.30
2001-3000	7	18200	0.26
3001-4000	2	6650	0.10
4001-5000	2	9100	0.13
5001-10000	1	9000	0.13
10001 and above	29	6603555	94.76
Total	944	69,68,850	100.00

Shareholding Pattern		
Category	No. of Shares	Shareholding %
Promoters	25,27,767	36.27
Domestic Corporate Bodies	30,76,361	44.14
Indian Public	8,97,415	12.88
NRIs/OCBs/FIIs	4,67,307	6.71
Total	69,68,850	100.00

Dematerialization of shares and Liquidity

The Company's shares are traded compulsorily in demat mode under ISIN code INE 074 H01012. The National Securities Depository Limited (NSDL) and the Central Depository Services Ltd. (CDSL) are the depositories, holding Company's share in demat mode. As on 31st March, 2022 out of 69,68,850 equity shares of Rs. 10/- each, 57,22,815 equity shares which is 82.12% of total equity are now held in electronic form.

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

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

Commodity price risks or Foreign Exchange risk and hedging activities:

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

Plant Location

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

Address for Correspondence**Sarthak Industries Limited**

Room No. 4, Anna Bhuvan, 3rd Floor,
87C Devji Ratansi Marg, Dana Bunder
Mumbai (MH) - 400 009
Tel. No.: +91-22-23486740
Email: sarthakindustries@yahoo.in

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

Credit rating obtained along with revisions thereto for bank facilities of the Company during FY 2021-22 as under:

S. No.	Rating Agency	Facilities	Credit Rating
1.	India Ratings and Research Private Limited	Non- Fund- Based limit	INDA4+

The Credit Rating has been upgraded during the financial year 2021-22 as under:

S. No.	Facilities	As on 01.04.2021 by CARE Rating Limited	As on 31.03.2022 by India Rating & Research Private Limited
1.	Non- Fund- Based limit	CARE A4 (A Four)	INDA4+

OTHER DISCLOSURES

- a. Materially Significant Related Party Transactions: All transactions entered into with related parties under Regulation 23 of the Listing Regulations, during the year under review were on Arm's Length basis and in the ordinary course of Business. There are no materially significant related party transactions of the company which have potential conflict with the interest of the Company at large. Further, the particulars of transactions between the Company and its related parties in accordance with the Indian Accounting Standards (IND AS) are set out in Note No. 44 of Standalone Financial Statements forming part of the annual report.
- b. Details of non-compliance by the Company, fine, and strictures imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years: The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties have been imposed against it in the last three years.
- c. Vigil Mechanism/Whistle Blower Policy: The Company has adopted a Whistle Blower Policy and has established the necessary Vigil Mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the audit committee.
- d. Compliance with mandatory / Non-mandatory requirements: The Company has complied with the mandatory requirements as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the status of non-mandatory (discretionary) requirements are given below:
- i) Chairman is elected in Meeting;
 - ii) In view of publication of the Financial Results of the Company in newspapers having wide circulation and dissemination of the same on the website of the Company as well as on the website of the Stock Exchanges, the Company does not consider it prudent to circulate the half-yearly results separately to the Shareholders;
 - iii) The Company's Financial Statements for financial year 2021-22 have been accompanied with unmodified audit opinion - both on quarterly and yearly basis;
 - iv) The Chairman is elected in Meeting. No Managing Director in the Company; and
 - v) The Company has appointed an Internal Auditor in accordance with the provisions of Section 138 of the Companies Act, 2013 who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.
- e. Web link where policy for determining 'material' subsidiaries is disclosed:
http://www.sarthakindustries.com/upload/investors_file/CTI1618510472.pdf
- f. Web link where policy on dealing with related party transactions is disclosed:
http://www.sarthakindustries.com/upload/investors_file/CTI1653722284.pdf
- g. Disclosure of commodity price risks and commodity hedging activities:
The management of the Company takes effective steps timely to minimise commodity price risks and also hedges its exposure.
- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) **Not Applicable**
- i. A certificate from practicing company secretary confirming that none of the Directors on the board of the Company were debarred or disqualified from being re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities **Attached as 'Annexure I'**
- j. Details of Fees paid to Statutory Auditors - M/s. SMAK & Co., Chartered Accountants
Statutory Audit Fees – Rs. 1.50 Lacs
Tax Audit Fees – Rs. 0.50 Lacs
Other Services – Rs. 0.70 Lacs
- k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
No. of Complaints filed during the financial year – NIL
No. of Complaints disposed of during the financial year – NIL
No. of Complaints pending as on end of the financial year – NIL

COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATE

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

CEO CERTIFICATION

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Not Applicable

RECONCILIATION OF SHARE CAPITAL AUDIT

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

Annexure I**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sarthak Industries Limited** having **CIN L99999MH1982PLC136834** and having registered office at Room No. 4, Anna Bhuvan, 3rd Floor, 87C, Devji Ratansi Marg, Dana Bunder, Mumbai (MH) 400009 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Designation	Date of Appointment
1.	YOGENDERMOHAN SHARMA	03644480	Whole-time Director	15/07/2014
2.	UDES DASSANI	00511709	Independent Director	24/03/2004
3.	VIJAY KUMAR RATHI	01474776	Independent Director	28/01/2004
4.	NIMISHEK VED	07362817	Independent Director	27/11/2017
5.	DEEPIKA ARORA	07117491	Non-Executive Director	16/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 10th August, 2022

For Ajit Jain & Company
(Company Secretaries)

Ajit Jain
(Proprietor)
FCS No.: 3933; C P No.: 2876
UDIN- F003933D000741835
Peer Review Certificate No.: 767/2020
PCS Unique ID NO.: S1998MP023400

Annexure II**CEO/CFO CERTIFICATION**

To
The Board of Directors,
Sarthak Industries Ltd.

In relation to the Audited Financial Accounts of the Company as at March 31, 2022, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022, which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee, wherever applicable:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

YOGENDER MOHAN SHARMA
Whole-time Director
DIN: 03644480

Place: Indore
Dated: 30th May, 2022

KAILASH KUMAR AGARWAL
CFO

Annexure III**Declaration on Compliance of Code of Conduct**

The Board members & senior management personnel have affirmed compliance with the code of conduct for the directors & senior management for the year ended 31st March, 2022.

Place: Indore
Dated: 10th August, 2022

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

Annexure IV**CORPORATE GOVERNANCE CERTIFICATE**

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

1. We have examined the compliances of conditions of corporate governance by Sarthak Industries Limited ('CIN: L99999MH1982PLC136834') for the year ended March 31, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility

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

Our Responsibility

3. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance to the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Place: Indore
Date: 10th August, 2022

For Ajit Jain & Company
(Company Secretaries)

Ajit Jain
(Proprietor)
FCS No.: 3933; C P No.: 2876
UDIN- F003933D000741835
Peer Review Certificate No.: 767/2020
PCS Unique ID NO.: S1998MP023400

Independent Auditors Report

To,
The Members of
Sarthak Industries Limited

Report on the Financial Statements**Opinion**

We have audited the accompanying financial statements of Sarthak Industries Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2022, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Auditor's Response
<p>Evaluation of uncertain tax positions</p> <p>The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the financial statements.</p>	<p>Our audit procedures include the following substantive procedures:</p> <ul style="list-style-type: none"> • Obtained understanding of key uncertain tax positions and • We along with our internal tax experts – <ul style="list-style-type: none"> ■ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ■ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions <p>and</p> <p>Assessed management's estimate of the possible outcome of the disputed cases</p>

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules framed there under.
- e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (B) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 (C) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv) (A) and (iv) (B) contain any material mis-statement.
 - v. The company has not declared or paid dividend during the year hence provision of Section 123 of the Act not applicable.
- h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

CA Atishay Khasgiwala
Partner
 M. No. 417866

Date: 30th May, 2022
 Place: Indore
 UDIN : 22417866AJWPCE8827

Annexure A to Independent Auditor's Report

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Sarthak Industries Limited on the financial statements for the year ended 31st March, 2022.

I.

- a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a phased program for physical verification of the PPE for all locations. Physical verification of the assets has been carried out during the year pursuant to the programme which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties whether the company is the lessee and the lease agreement are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, plant and equipment or intangible assets during the year.
- e. According to the information and explanations given to us and as explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a. The inventories have been physically verified by the management at reasonable intervals during the year. The coverage and procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. As per the information and explanations given to us and on the basis of our examination of the records, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- b. During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

Name of the Bank	Aggregate working capital limit sanctioned Rs., in lacs	Current assets offered as security	Quarter Ended	Amount disclosed as per quarterly statement Rs. In lacs	Amount as per books Rs. in lacs	Difference	Reason for difference
						Rs. in lacs	
Punjab National Bank and HDFC Bank Ltd.	2500.00	Inventory and book debts	Mar-22	2100.60	2106.38	5.78	Goods in transit not considered in statement submitted to bank

- iii. During the year the company has not made any investments, given any guarantee or provided any security or granted any loan or advance in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
 - a. In our opinion provisions of para 3 (iii) (a) to (d) of the order are not applicable to the company.
 - b. No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted and investments made. The company has not provided any security or granted any guarantee in terms of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employee's state insurance, income tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2022 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Goods and Services tax, provident fund, employee's state insurance, income tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited with appropriate authorities on account of any dispute except detailed as follows :

Name of the Statute	Nature of Dues	Amount Involved Rs. In lacs #	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	1.22	2009-10	MP Commercial Tax Appellate Board
Bombay Sales Tax Act, 1959	Sales Tax	8.39	1998-99	High Court Mumbai.
Bombay Sales Tax Act, 1959	Sales Tax	39.35	2001-02	Maharashtra Sales Tax Tribunal, Mumbai.
Guajarat Sales Tax Act, 1969	Sales Tax	1665.42	2003-04	Gujarat Sales Tax Tribunal Ahmedabad
Central Sales Tax Act, 1956	Sales Tax	857.07	2003-04	Gujarat Sales Tax Tribunal Ahmedabad
Income Tax Act, 1961	Income Tax	623.68	FY 2010-11 & 2011-12	CIT (Appeal)

Net of amount deposited Rs. 157.35 lacs.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. a. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings or in payment of interest thereon to any lender and hence reporting under para 3(ix) of the Order is not applicable to the Company.
- b. The company is not declared a willful defaulter by any bank or financial institution or other lender.
- c. According to the information and explanations given to us and the records of the Company examined by us, the term loans raised during the year were applied for the purpose for which the loans were obtained.
- d. According to the information and explanations given to us and on an overall examination of financial statements of the Company, we report that funds raised for short term basis have not been utilized for long term purpose.
- e. According to the information and explanations given to us and the records of the Company examined by us, the company has no subsidiary, joint venture or associate company. In our opinion provision of para 3 (ix)(e) are not applicable.
- f. According to the information and explanations given to us and the records of the Company examined by us, the company has no subsidiaries, joint ventures or associate companies. In our opinion provision of para 3 (ix)(f) are not applicable.
- x. a. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments).
- b. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. a. During the course of our examination of the books of account and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the company noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the management, there are no whistle-blower complaints received by the company during the year.
- xii. In our opinion and according to information and explanation given to us and the records of the Company examined by us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
b. We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the provision of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. a. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) (a) of the Order is not applicable to the company for the year under audit.
b. The company has not conducted any Non-Banking Financial or Housing Finance activities during the year therefore, the provision of para 3 (xvi) (b) of the Order is not applicable to the company.
c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provision of para 3 (xvi) (c) of the Order is not applicable to the company.
d. The Group has no CIC. Therefore, the provision of para 3 (xvi) (d) of the Order is not applicable to the company.
- xvii. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly reporting under para 3(xviii) of the order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and the records of the Company examined by us provisions of section 135 of the companies Act, 2013 are not applicable to the company. Therefore the provision of para 3 (xx) (a) and (b) of the Order are not applicable to the company.

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

CA Atishay Khasgiwala
Partner
M. No. 417866

Date: 30th May, 2022
Place: Indore
UDIN : 22417866AJWPCE8827

Annexure B To the Independent Auditor's Report of even date on the Financial Statements of Sarthak Industries Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sarthak Industries Limited as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Atishay Khasgiwala
Partner
M. No. 417866

Date: 30th May, 2022
Place: Indore
UDIN : 22417866AJWPCE8827

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834
BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount ₹ in lacs)

Particulars	Note No.	As at 31 st March, 2022	As at 31 st March, 2021
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	1	478.18	349.39
(b) Right-of-use assets	2	1.87	1.94
(c) Capital work-in-progress	3	149.38	149.38
(d) Intangible Assets	4	0.36	0.67
(e) Financial Assets			
(i) Investments	5	338.14	314.35
(ii) Other financial assets	6	115.52	68.88
(f) Deferred tax assets (net)	7	1.78	4.31
(g) Other non-current assets	8	1529.64	1176.45
Total Non-Current Assets		2614.87	2065.37
(2) Current Assets			
(a) Inventories	9	690.81	935.64
(b) Financial Assets			
(i) Trade receivables	10	1658.12	1375.80
(ii) Cash and cash equivalents	11	140.48	86.49
(iii) Bank balances other than (ii) above	12	278.92	281.20
(iv) Loans	13	924.22	811.63
(v) Other financial assets	14	218.16	212.29
(c) Other current assets	15	1382.90	1224.33
Total Current Assets		5293.61	4927.38
TOTAL ASSETS		7908.48	6992.75
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	696.89	696.89
(b) Other equity	17	3252.60	3063.71
Total Equity		3949.49	3760.60
(2) Liabilities			
(2.1) Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	18	82.81	48.17
(b) Provisions	19	2.05	3.45
Total Non-Current Liabilities		84.86	51.62
(2.2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	305.48	27.47
(ii) Trade payables	21		
(a) total outstanding dues of micro and small enterprises		0.00	0.00
(b) total outstanding dues of creditors other than micro and small enterprises		2430.45	1805.74
(iii) Other financial liabilities	22	256.84	254.18
(b) Other current liabilities	23	852.21	1021.61
(c) Provisions	24	0.99	1.69
(d) Current Tax Liabilities (Net)	25	28.16	69.84
Total Current Liabilities		3874.13	3180.53
TOTAL EQUITY AND LIABILITIES		7908.48	6992.75

Notes forming an integral part of the financial statements 1 to 53
General corporate information and Significant Accounting Policies A-B

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

For and on behalf of Board of Directors

CA Atishay Khasgiwala
Partner
M. No. : 417866
Place : Indore
Dated : May 30, 2022

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishek Ved
Director
DIN: 07362817

CS Riya Bhandari
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer

SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount ₹ in lacs)

Particulars	Note No.	For the year ended 31 st March, 2022	for the year ended 31 st March, 2021
I. INCOME			
a. Revenue from operations	26	16364.52	13354.29
b. Other income	27	247.62	176.86
Total Income		16612.14	13531.15
II. EXPENSES			
a. Cost of materials consumed	28	2252.05	1567.23
b. Purchases of stock-in-trade	29	12622.10	10871.86
c. Changes in inventories of finished goods, work in progress and stock-in-trade	30	349.95	(308.83)
d. Employee benefits expense	31	269.32	260.10
e. Finance costs	32	122.84	91.92
f. Depreciation and amortisation expense	1,2 & 4	80.19	66.36
g. Other expenses	33	687.26	688.49
Total Expenses		16383.71	13237.13
III. Profit before exceptional items and tax (I-II)		228.43	294.02
IV. Exceptional Items		0.00	0.00
V. Profit before tax (III - IV)		228.43	294.02
VI. Tax expense:	49		
a. Current tax		60.68	85.37
b. Deferred tax		(0.17)	(0.57)
c. Income tax for earlier year		0.00	(0.02)
		60.51	84.78
VII. Profit for the year (V - VI)		167.92	209.24
VIII. Other comprehensive income			
A. Items that will not to be reclassified to Profit or Loss			
-Remeasurement of defined benefit plan		(0.11)	(2.86)
-Tax impact thereon		0.03	0.80
-Gain/(Loss) on change in fair value of equity instruments		23.78	112.64
-Tax impact thereon		(2.73)	(14.33)
B. Items that will be reclassified to Profit or Loss		0.00	0.00
Total other comprehensive income		20.97	96.25
IX. Total Comprehensive Income for the year (VII+VIII)		188.89	305.49
X. Earning per equity share: (Face value of Rs 10/- each)	38		
(1) Basic (in Rs.)		2.41	3.00
(2) Diluted (in Rs.)		2.41	3.00

Notes forming part of the financial statements 1 to 53

General corporate information and significant accounting policies

A-B

As per our report of even date

For SMAK & Co.

Chartered Accountants

(FRN 020120C)

CA Atishay Khasgiwala

Partner

M. No. : 417866

Place : Indore

Dated : May 30, 2022

For and on behalf of Board of Directors

Yogender Mohan Sharma

Whole Time Director

DIN: 03644480

CS Riya Bhandari

Company Secretary

Nimishek Ved

Director

DIN: 07362817

CA Kailash K Agarwal

Chief Financial Officer



SARTHAK INDUSTRIES LIMITED

CIN: L99999MH1982PLC136834

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount ₹ in lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Cash flow from Operating activities		
a. Net Profit/ (Loss) before Tax & Exceptional item	228.43	294.02
Adjustment for :		
Depreciation	80.19	66.36
Finance costs	122.84	91.92
Interest Received	(197.19)	(123.53)
Depreciation reversed due to receipt of capital subsidy	(17.03)	(11.44)
Provision for doubtful debts written back	(0.36)	(4.41)
Ind AS Impact of Remeasurment Directly considered in OCI	(0.11)	(2.86)
Unrealised (gain)/loss on foreign currency exchange rate	31.37	(11.35)
b. Operating profit/(loss) before working capital changes	248.14	298.71
Adjustment for :		
Trade and Other receivables	(560.06)	335.06
Inventories	244.82	(267.84)
Trade and other payables	423.26	518.80
c. Cash generated from Operations	356.16	884.73
Direct Taxes (paid)/Refund	(108.52)	(81.18)
Net Cash Flow from Operating activities	247.64	803.55
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(577.06)	(1063.29)
Capital subsidy received	38.44	38.45
Interest Received	194.04	124.56
Change in Bank balances not considered as cash and cash Equivalent	(38.89)	(7.02)
Net Cash Flow from Investing activities	(383.47)	(907.30)
C. Cash flow from Financing activities		
Proceeds from Borrowings	344.10	55.00
Repayment of Borrowings	(31.44)	(20.33)
Finance costs	(122.84)	(91.92)
Net Cash flow from Financing activities	189.82	(57.25)
D. Net Increase / (Decrease)in Cash and Cash Equivalent	53.99	(161.00)
Cash and Cash Equivalent at the beginning of the year	86.49	247.49
Cash and Cash Equivalent at the end of the year	140.48	86.49
Cash and Cash Equivalent comprises of		
i. Balances with Banks	126.81	81.68
in Current Accounts	90.56	5.62
in Deposit Accounts	36.25	76.06
ii. Cash on hand	13.67	4.81
	140.48	86.49

Note : Previous period/year figures have been regrouped/recasted wherever necessary.

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

CA Atishay Khasgiwala
Partner
M. No. : 417866
 Place : Indore
 Dated : May 30, 2022

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

CS Riya Bhandari
Company Secretary

Nimishek Ved
Director
DIN: 07362817

CA Kailash K Agarwal
Chief Financial Officer

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

(Amount ₹ in lacs)	
a. Equity share capital	
	March 31, 2022
Balance at the beginning of the reporting period	696.89
Changes in equity share capital due to prior period errors	0.00
Restated balance at the beginning of the previous reporting period	696.89
Changes in equity share capital during the year	0
- Shares issued during the year	0
Balance at the end of the reporting period	696.89

b. Other Equity

Particulars	Reserve & Surplus				Items of Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Securities Premium	Retained Earning	Equity instruments through OCI	
Balances as at 1 st April, 2020	16.49	45.36	2676.24	20.32	-0.19	2758.22
Profit for the year				209.24	0.00	209.24
Other comprehensive income (net of tax)				(2.06)	98.31	96.25
Balances as at 31st March 2021	16.49	45.36	2676.24	227.50	98.12	3063.71
Profit for the year				167.92	0.00	167.92
Other comprehensive income (net of tax)				(0.08)	21.05	20.97
Balances as at 31st March 2022	16.49	45.36	2676.24	395.34	119.17	3252.60

Notes forming an integral part of the financial statements
General corporate information and significant accounting policies

1 to 53
A-B

As per our report of even date

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

For and on behalf of the Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishek Ved
Director
DIN: 07362817

CA Atishay Khasgiwala
Partner
M. No. : 417866
Place : Indore
Dated : 30th May, 2022

CS Riya Bhandari
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

A. General Information

Sarthak Industries Ltd. (CIN: L99999MH1982PLC136834) (Formerly known as Avanti LPG (India) Ltd.) and initially known as (Malav Metals Pvt. Ltd.) is a public limited company incorporated on 23.12.1982 having registered office at Room no. 4, 87-C DevjiRatansiMarg, Dana Bunder, Mumbai-09, (Mah.). The Company is engaged in manufacturing of LPG Cylinders at works situated at Industrial Area, Pithampur, Dist. Dhar (M.P.). The LPG Cylinders are supplied to Oil Companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Bharat Petroleum Corporation Ltd. and also to private companies. Apart from this, Company is also engaged in trading of agri-commodities, mining and mineral based industry on opportunity basis. The Company is listed with the BSE Limited (BSE).

B. Significant accounting policies

i. Statement of compliance

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

ii. Basis of Preparation

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

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

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Functional and presentation currency

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

iii. Use of Estimates, Judgments and Assumptions

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

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

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

iv. Revenue

Recognition

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

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

Measurement

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

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

a. Sale of goods

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

b. Sale of Services

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

c. Interest and Dividend

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

v. Inventories

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

vi. Property, Plant and Equipment**a. Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (if any). Freehold land is measured at costs.

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

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

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

b. Subsequent expenditure

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

c. Depreciation

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

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

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

d. Capital Work In progress

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

vii. Intangible Assets

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

Recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

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

viii. Employee benefits

a. Short term employee benefits

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

b. Defined benefit plans

The company provides for gratuity to the employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous for a period of five years are eligible for gratuity. The company has opted for scheme with Life Insurance corporation of India (LIC) to cover its liabilities towards employees gratuity. The company also carries out Actuarial Valuation of gratuity using the projected unit credit method as required by Ind AS – 19 and the difference between fair value of plan assets and liability as per actuarial valuation as at the year end is recognised in statement of profit and loss.

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

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

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

c. Other employee benefits

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

d. Defined Contribution Plan

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

ix. Income Tax

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

a. Current tax

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

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

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

b. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

Deferred tax assets and liabilities are offset only if:

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

x. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Difference arising on settlement of monetary items are recognised in statement of profit and loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets..

Non-monetary items that are measured based on historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Exchange difference arising out of these transactions are generally recognised in statement of profit and loss.

xi. Borrowing cost

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

xii. Cash and Cash Equivalent

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

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

xiii. Cash Flow Statement

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

xiv. Earning Per Share

- a. Basic earnings per shares is arrived at based on net profit / (loss) after tax available to equity shareholders divided by Weighted average number of equity shares, adjusted for bonus elements in equity shares issued during the year (if any) and excluding treasury shares.
- b. Diluted earnings per shares is calculated by dividing Profit attributable to equity holders after tax divided by Weighted average number of shares considered for basic earning per shares including potential dilutive equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

xv. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

xvi. Segment Accounting

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

Name of Segment

LPG Cylinders - Manufacturing and repairing of LPG cylinders

Merchant Trading - Trading of various commodities, materials etc.

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

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

xvii. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As per the requirements of Ind AS 116 the company evaluates whether an arrangement qualifies to be a lease. In identifying a lease the company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right of Use Assets

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable and impairment loss, if any, is recognised in the statement of profit and loss.

Company has recognised lease hold land as right of use asset and depreciated over its lease term.

Lease Liability

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Operating leases

The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

xviii. Impairment of Non-Financial Assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the company estimates the amount of impairment loss.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as cash generating unit.

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

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

xix. Financial Instruments

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

a. Financial assets

Classification

The Company classifies financial assets in the following measurement categories :

- i. Those measured at amortised cost and
- ii. Those measured subsequently at fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

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

Measured at amortised cost

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

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

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

Measured at fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

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

Derecognition

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

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

Impairment of financial assets

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

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

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

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

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

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

b. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit or loss.

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Derivative financial instruments

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

Offsetting

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

Measurement of fair values

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

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

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

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

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

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

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

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

xx. Standards Issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The company does not expect the amendment to have any significant impact in its financial statements.

SARTHAK INDUSTRIES LIMITED
Notes forming an integral part to Financial Statements for the year ended on 31st March, 2022
Note 1 : PROPERTY, PLANT AND EQUIPMENT

(Amount ₹ in lacs)

Cost or deemed cost	Land- Freehold	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Total
As at 01st April, 2020		133.06	236.32	8.36	8.11	80.48	469.97
Additions	0.00	30.15	9.65	0.00	2.13	64.59	106.52
Disposals/Adjustments	0.00	23.07	15.38	0.00	0.00	0.00	38.45
Other Adjustments	0.00						0.00
As at 31st March, 2021	3.64	140.14	230.59	8.36	10.24	145.07	538.04
Additions	138.40	0.00	1.56	2.85	2.32	84.89	230.02
Disposals/Adjustments	0.00	23.07	15.38	0.00	0.00	0.00	38.45
Other Adjustments							0.00
As at 31st March, 2022	142.04	117.07	216.77	11.21	12.56	229.96	729.61
Accumulated Depreciation and Impairment							
Depreciation as at 1st April 2020	0.00	26.54	74.35	0.51	6.18	26.63	134.21
Depreciation for the year	0.00	9.37	26.74	1.97	1.16	26.64	65.88
Disposals/Adjustments	0.00	4.65	6.79	0.00	0.00	0.00	11.44
As at 31st March, 2021	0.00	31.26	94.30	2.48	7.34	53.27	188.65
Depreciation for the year	0.00	10.23	22.60	1.95	2.26	42.78	79.82
Disposals/Adjustments	0.00	7.60	9.44	0.00	0.00	0.00	17.04
As at 31st March, 2022	0.00	33.89	107.46	4.43	9.60	96.05	251.43
Net Carrying Value							
As at 31 st March, 2021	3.64	108.88	136.29	5.88	2.90	91.80	349.39
As at 31 st March, 2022	142.04	83.18	109.31	6.78	2.96	133.91	478.18

Note - 1- Refer note 18 for details of Property, plant & equipment pledged. 2- Title Deed of all immovable properties are held in the name of company. 3- No revaluation of property plant and equipment (including ROU) & intangible assets has been carried out during the year.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****Note 2 : RIGHT OF USE ASSETS****(Amount ₹ in lacs)**

Gross carrying amount	Land - Lease hold
As at 01st April, 2020	2.44
Additions	0
Disposals/Adjustments	0
Other Adjustments	0
As at 31st March, 2021	2.44
Additions	0
Disposals/Adjustments	0
Other Adjustments	0
As at 31st March, 2022	2.44
Accumulated Depreciation and Impairment	
Depreciation as at 1st April 2020	0.40
Depreciation for the year	0.10
Disposals/Adjustments	0.00
As at 31st March, 2021	0.50
Depreciation for the year	0.07
Disposals/Adjustments	0.00
As at 31st March, 2022	0.57
Net Carrying Value	
As at 31 st March, 2021	1.94
As at 31 st March, 2022	1.87

Note 3 : CAPITAL WORK-IN-PROGRESS**(Amount ₹ in lacs)**

Capital Work in Progress	Building	Total
As at 31 st March, 2021	149.38	149.38
As at 31 st March, 2022	149.38	149.38

CWIP Ageing Schedule

Description	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	More than 2-3 years	3 Years	
Project in Progress	0.00	0.00	0.00	149.38	149.38
Project temporarily suspended	0.00	0.00	0.00	0.00	0.00

Note : Capital work-in-progress represents preoperative expenses incurred for mining project of Rs. 149.38 lacs (Previous Year Rs. 149.38 lacs). In this regards company has obtain approval of preliminary lease but approval of mining lease is under process hence yet to be capitalised.

CWIP completion schedule

Description	To be completed in				Total
	Less than 1 year	1-2 years	More than 2-3 years	3 Years	
Project -1	0.00	149.38	0.00	0.00	149.38

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****Note 4 : OTHER INTANGIBLE ASSETS****(Amount ₹ in lacs)**

Cost or deemed cost	Computer Software
As at 01st April, 2020	2.01
Additions	0.28
Disposals	0.00
Other Adjustments	
As at 31st March, 2021	2.29
Additions	0.00
Disposals	0.00
Other Adjustments	
As at 31st March, 2022	2.29
Accumulated Amortisation and Impairment	
Amortisation and Impairment as at 1st April, 2020	1.25
Amortisation for the year	0.37
Disposals	0.00
As at 31st March, 2021	1.62
Amortisation for the year	0.31
Disposals	0.00
As at 31st March, 2022	1.93
Net Carrying Value	
As at 31 st March 2021	0.67
As at 31 st March, 2022	0.36

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 5. INVESTMENTS - NON CURRENT**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Investment in Equity Instruments : (Fair value through OCI)		
I. Quoted		
1950700 (Previous Year 1950700) Equity Shares of Ruchi Infrastructure Ltd. of Re. 1/- each fully paid up	183.56	113.27
50 (Previous Year 50) Equity Shares of Ruchi Soya Industries Ltd. of Rs. 2/- each fully paid up	0.48	0.32
100 (Previous Year 100) Equity Shares of IMEC Services Ltd. of Rs. 10/- each fully paid up	0.00	0.00
108800 (Previous Year 108800) Equity Shares of Sarthak Global Limited of Rs. 10/- each fully paid up	5.94	5.17
	189.98	118.76
II. Unquoted		
1949284 (Previous Year 1949284) Ordinary shares of Paras Industries Pvt. Ltd., Sri Lanka of SLR 10/- each fully paid up	148.16	195.59
	148.16	195.59
Total	338.14	314.35
Aggregate Amount of Quoted investments and market value thereof	189.98	118.76
Aggregate Amount of Unquoted investments	148.16	195.59
Aggregate Amount of Provision for diminution in value of investments	0	0

NOTE 6. OTHER FINANCIAL ASSETS - NON CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(i) Security deposits	57.78	55.83
(ii) Balance with Bank in Deposit account having maturity more than 12 months	37.48	6.74
Earmarked against credit facility	11.96	1.52
Others	49.44	8.26
(iii) Interest accrued on deposits	2.04	0.44
(iv) Others (refer note 37 (B)) (Gratuity fund balance)	6.26	4.35
Total	115.52	68.88

NOTE 7. DEFERRED TAX ASSETS (NET)

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Assets		
Other Timing Difference	6.78	9.50
Provision for doubtful debts	1.45	1.70
	8.23	11.20
Deferred Tax Liabilities		
Due to Depreciation difference on property, plant and equipments	3.68	6.85
Other Timing Difference	2.77	0.04
	6.45	6.89
Total Deferred Tax Assets/(Liabilities) (Net)	1.78	4.31

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 8. OTHER NON-CURRENT ASSETS**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred Tax Assets		
Capital advances	1376.99	1029.96
Advance income tax (net of provision for tax)	152.65	146.49
Total	1529.64	1176.45

NOTE 9. INVENTORIES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw Materials	266.70	145.58
Work in Progress	59.03	94.36
Finished Goods	242.01	122.09
Stock In Trade	70.37	504.91
Stores and Spares	52.70	68.70
Total	690.81	935.64

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

Cost of inventories recognised as an expense include INR Nil (Previous year Nil) in respect of written down of inventories to realisable value. Carrying amount of inventories hypothecated as security against liability. (refer note 35)

NOTE 10. TRADE RECEIVABLES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured, considered good	1663.89	1375.80
Credit impaired	0	6.12
	1663.89	1381.92
Less - Allowance for bad and doubtful debts (Refer note 46(b))	5.77	6.12
Total	1658.12	1375.80

NOTE 11. CASH AND CASH EQUIVALENTS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
i. Balances with Banks		
in Current Accounts	52.12	5.62
in Deposit Accounts (with original maturity up to 3 months)	36.25	76.06
ii. Cheques/ DD on hand	38.44	0.00
ii. Cash on hand	13.67	4.81
Total	140.48	86.49

NOTE 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
In Deposit Accounts		
i. having maturity up to 3 months		
Earmarked against credit facility	9.06	26.69
having maturity 3 to 12 months		
Earmarked against credit facility	269.86	254.51
Total	278.92	281.20

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 13. LOANS - CURRENT**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured considered good) Inter corporate Loan	924.22	811.63
Total	924.22	811.63

NOTE 14. OTHER FINANCIAL ASSETS - CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Security deposits	180.84	160.92
Other receivables (includes insurance claim receivable etc.)	34.56	50.15
Interest Accrued - on fixed deposits with bank	2.76	1.22
Total	218.16	212.29

NOTE 15. OTHER CURRENT ASSETS

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Advance to suppliers	1199.58	1103.53
Balance with govt. authorities	167.79	110.63
Other Receivables (includes prepaid expenses, prepaid insurance etc.)	15.53	10.17
Total	1382.90	1224.33

NOTE 16. EQUITY SHARE CAPITAL

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised 1,10,00,000 (as at Previous Year 1,10,00,000) Equity Shares of Rs. 10 each	1100.00	1100.00
Total	1100.00	1100.00
Issued, Subscribed and fully Paid up 69,68,850 (as at Previous year 69,68,850) Equity Shares of Rs 10 each fully paid up	696.89	696.89
Total	696.89	696.89

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****16.1 The reconciliation of the number of shares and amount outstanding is set out below:****(Amount ₹ in lacs)**

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at beginning of the year	6968850	696.89	6968850	696.89
Add: Shares issued during the year	-	-	-	-
Equity Shares at end of the year	6968850	696.89	6968850	696.89

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

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

Name of the Shareholders	As at 31 st March, 2022		As at 31 st March, 2021	
	No of shares held	% Held	No of shares held	% Held
Anand Mangal Investment & Finance Pvt. Ltd	1385200	19.88	1385200	19.88
Promise Securities Pvt. Ltd.	400000	5.74	400000	5.74
Girish Kumar Pushkarial Agarwal	511200	7.34	511200	7.34
Antarica Resource Ltd.	466540	6.69	466540	6.69
Manish Shahra	989500	14.2	989500	14.2
Mahakosh Papers Pvt. Ltd.	375000	5.38	375000	5.38

16.4 Shareholding of Promoters as at 31st March 2022 :

Promoter Name	No. of Shares as at 31 st March, 2022	No. of Shares as at 31 st March, 2021	% of total Shares as at 31 st March, 2022	% change during the year
Manish Shahra	989500	989500	14.20	-
Suresh Chandra Shahra HUF	210000	210000	3.01	-
Manish Shahra HUF	140000	140000	2.01	-
Suresh Chandra Shahra	112000	112000	1.61	-
Rishabh Suresh Mahajan	14000	14000	0.20	-
Shweta Shahra	0	5991	0.00	(0.09%)
Abha Devi Shahra	3500	3500	0.05	-
Vishesh Shahra	3150	3150	0.05	-
Mridula Devi Shahra	2600	2600	0.04	-
Usha Shahra	2500	2500	0.04	-
Ruchi Mohan	1487	1500	0.02	(0.00018%)
Madhuri Shahra	1000	1000	0.01	-
Sandhya Khandelwal	500	500	0.01	-
Amrita Sachdev	100	100	0.00	-
Bhavna Goel	500	500	0.01	-
Mahakosh Papers Private Limited	375000	375000	5.38	-
Deepti Housing Private Limited	222900	222900	3.20	-
Shahra Securities Private Limited	136320	136320	1.96	-
Neha Securities Private Limited	106950	106950	1.53	-
Vishal Warehousing Private Limited	105760	105760	1.52	-
Deepti Properties Private Limited	100000	100000	1.43	-
Mahakosh Amusement Private Limited	0	0	0.00	-

16.5 During the period of 5 years immediately preceding 31st March, 2022 the company has not allotted any shares as fully paid up for payment without being received in cash or by way of bonus shares or bought back any shares.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 17. OTHER EQUITY**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
General Reserve		
Balance as at beginning of the year	16.49	16.49
Add: Transferred during the year	0.00	0.00
Balance as at end of the year	16.49	16.49
Capital Reserve		
Balance as at beginning of the year	45.36	45.36
Add: Addition during the year	0.00	0.00
Balance as at end of the year	45.36	45.36
Securities Premium		
Balance as at beginning of the year	2676.24	2676.24
Add : Received during the year	0.00	0.00
Balance as at end of the year	2676.24	2676.24
Retained Earnings		
Balance as at beginning of the year	227.50	20.32
Add: Profit for the year	167.92	209.24
Add/(Less): Remeasurement of defined benefit plan through OCI (net of tax)	(0.08)	(2.06)
Balance as at end of the year	395.34	227.50
Equity Instrument through Other Comprehensive Income		
Balance as at beginning of the year	98.12	(0.19)
Add: Gain/(Loss) for the year (net of tax)	21.05	98.31
Balance as at end of the year	119.17	98.12
Total	3252.60	3063.71

Nature and purpose of Reserves**General Reserve**

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

Capital reserve

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

Security Premium

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

Equity Instrument through Other Comprehensive Income

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

Retained Earnings

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

NOTE 18. BORROWINGS - NON CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Secured		
Term Loans		
A. From Banks (Refer note a(i) to a(iii) below)	27.97	28.92
Less : Current Maturity of Long term borrowings (Refer note 20)	7.66	9.89
	20.31	19.03
B. From Others (Refer note a(iv) to a(v) below)	87.69	46.72
Less : Current Maturity of Long term borrowings (Refer note 20)	25.19	17.58
	62.50	29.14
Total	82.81	48.17

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****Note :**

a. Term loan of Rs. 20.27 lacs taken from ICICI Bank Ltd. , term loan of Rs. 39.47 lacs taken from HDFC Bank Ltd. and term loan of Rs. 117.00 lacs taken from Daimler financial Services Pvt. Ltd. for purchase of new vehicles. These loans are secured by exclusive first charge on the vehicle purchased through loan.

Above term loans are repayable as under:

(i) Term loan from ICICI Bank Ltd. - Sanctioned amount Rs 20.27 lacs outstanding Rs. NIL (Previous Year Rs. 4.38 lacs) is repayable in 36 monthly installments (EMI) of Rs. 0.64 lacs (including Interest) commencing from November 2018 and last installment is due in the month of October 2021. Rate of interest as at the year end 9% p.a. (Previous Year 9%).

(ii) Term loan from HDFC bank Ltd. - Sanctioned amount Rs 30.00 lacs outstanding Rs. 19.04 lacs (Previous Year Rs. 24.54 lacs) is repayable in 60 monthly installments (EMI) of Rs. 0.62 lacs (including Interest) commencing from March, 2020 and last installment is due in the month of February, 2025. Rate of interest as at the year end 8.55% p.a. (Previous Year 8.55% P.A).

(iii) Term loan from HDFC Bank Ltd. - Sanctioned amount Rs 9.47 lacs outstanding Rs.8.94 lacs (Previous Year Rs. Nil) is repayable in 60 monthly installments (EMI) of Rs. 0.19 lacs (including Interest) commencing from December, 2021 and last installment is due in the month of November, 2026. Rate of interest as at the year end 7.50% p.a. (Previous Year Nil).

(iv) Term loan from Daimler Financial Services Pvt. Ltd. - Sanctioned amount Rs. 55.00 lacs outstanding Rs. 28.83 lacs (Previous Year Rs. 46.72 lacs) is repayable in 36 monthly installments (EMI) of Rs. 1.72 lacs (including Interest) commencing from October, 2020 and last installment is due in the month of September, 2023. Rate of interest as at the year end 8.00% p.a. (Previous Year 8.00% PA).

(v) Term loan from Daimler Financial Services Pvt. Ltd. - Sanctioned amount Rs. 62.00 lacs outstanding Rs.58.86 lacs (Previous Year Rs. Nil) is repayable in 60 monthly installments (EMI) of Rs. 0.90 lacs (including Interest) commencing from October, 2021 and last installment is due in the month of September, 2026. Rate of interest as at the year end 8.27% p.a. (Previous Year Nil).

NOTE 19. PROVISIONS - NON CURRENT

Particulars	(Amount ₹ in lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employee benefit (Refer note 37 (B) and (C) for disclosure as per Ind AS -19)	2.05	3.45
Total	2.05	3.45

NOTE 20. BORROWINGS - CURRENT

Particulars	(Amount ₹ in lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
UnSecured		
Intercompany Loan	272.63	0.00
Current Maturities of Long Term Borrowings (Refer note 18)	32.85	27.47
Total	305.48	27.47

Note :

Rate of interest as at the year end 15% p.a.

NOTE 21. TRADE PAYABLES

Particulars	(Amount ₹ in lacs)	
	As at 31 st March, 2022	As at 31 st March, 2021
(a) Total outstanding dues of Micro and Small Enterprises (refer note below)	0.00	0.00
(b) Total outstanding dues of creditors other than (a) above	2430.45	1805.74
Total	2430.45	1805.74

Note :

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

There are no amounts payable to Micro and Small Enterprises as at the year end and no interest due or paid during the year. Disclosure requirement under MSMED Act, 2006 are not applicable.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 22. OTHER FINANCIAL LIABILITIES - CURRENT**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Other Payables		
Other Liabilities	161.15	237.53
Security deposits	0.15	0.15
Creditors for Capital Expenses	95.54	16.50
Total	256.84	254.18

NOTE 23. OTHER CURRENT LIABILITIES

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Dues	8.52	5.85
Advances from Customers	33.81	204.69
Other Liabilities	809.88	811.07
Total	852.21	1021.61

NOTE 24. PROVISIONS - CURRENT

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for Employee benefit (Refer note 37 (B) and (C) for disclosure as per Ind AS -19)	0.99	1.69
Total	0.99	1.69

NOTE 25. CURRENT TAX LIABILITIES (Net)

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current Tax Liabilities	28.16	69.84
Total	28.16	69.84

NOTE 26. REVENUE FROM OPERATIONS

(Amount ₹ in lacs)

Particulars	For the year ended March, 2022	For the year ended March, 2021
Sales of Products	16357.33	13314.39
Sale of Services	7.19	39.90
Total	16364.52	13354.29

NOTE 27. OTHER INCOME

(Amount ₹ in lacs)

Particulars	For the year ended March, 2022	For the year ended March, 2021
Interest Received (at amortised cost)	197.19	123.53
Excess Provision for doubtful debts reversed	0.36	4.41
Other Non operating income		
Rent Income	18.00	13.00
Depreciation reversed on capital subsidy	17.03	11.44
Reversal of Excess Leave Encashment Provision	2.09	0.00
Miscellaneous Income	12.95	12.04
Excess registry exps. provision written back	0.00	8.12
Sundry balances written back	0.00	4.32
Total	247.62	176.86

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****NOTE 28. COST OF MATERIALS CONSUMED**

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Raw Materials Consumed	2252.05	1567.23
Total	2252.05	1567.23

NOTE 29. PURCHASES OF STOCK IN TRADE

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Purchases of traded goods	12622.10	10871.86
Total	12622.10	10871.86

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

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Closing Stock		
Finished Goods	242.01	122.09
Work in Progress	59.03	94.36
Stock in Trade	70.37	504.91
	371.41	721.36
Less : Opening Stocks		
Finished Goods	122.09	119.14
Work in Progress	94.36	139.81
Stock in Trade	504.91	153.58
	721.36	412.53
Changes in Inventories	Total 349.95	(308.83)

NOTE 31. EMPLOYEE BENEFIT EXPENSES

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Salaries and Wages	257.36	248.93
Contribution to Provident and other fund	7.18	7.39
Staff Welfare Expenses	4.78	3.78
Total	269.32	260.10

NOTE 32. FINANCE COSTS

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Interest Expenses (at amortised cost)	74.64	33.17
Other Borrowing costs	48.20	58.75
Total	122.84	91.92

NOTE 33. OTHER EXPENSES

(Amount ₹ in lacs)

Particulars	for the year ended 31.03.2022	for the year ended 31.03.2021
Power and Fuel	68.55	61.25
Stores, spares and consumables	79.34	44.94
Rent	28.98	23.19
Repairs to Machinery	4.90	3.50
Repairs to Buildings	7.03	0.09
Insurance	18.77	20.74
Rates & Taxes excluding taxes on income	2.98	4.14
Factory Expenses	1.07	0.72
Legal and Professional Charges	50.11	60.98
Travelling & Conveyance Expenses	31.12	17.29
Vehicle Expenses	9.82	10.62
Brokerage and Commission	11.16	10.89
Freight Outward	143.51	123.75
Allowance for doubtful debts	0.00	0.00
Claim and settlement expenses	0.00	145.70
Net Loss on Foreign Currency Transactions and Translations	69.70	24.32
Miscellaneous Expenses	160.22	136.37
Total	687.26	688.49

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****34. Contingent Liabilities and Commitments**

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
-------------	---------------------------------------	---------------------------------------

A. Contingent Liabilities

Estimated amount of claims against the Company not acknowledged as debts in respect of:

- Sales Tax and income tax demand disputed in appeals (Amount deposited Rs. 157.35 lacs (Previous Year Rs. 160.60 lacs))	3370.03	3212.68
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B. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Year Rs. Nil).

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

- Hypothecation charge over all movables assets, equipments and fixtures of the company located at the Company's plant at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- 10% cash margin in the form of term deposit receipts.
- Equitable mortgage on Company's plant situated at Village Akolia, Pithampur, Distt. Dhar, (M.P.).
- Personal guarantee of others.

36 Leases :

The company has adopted Ind AS 116 'Leases' effective from April 1, 2019 and elect not to apply the requirement of Ind AS 116 since leases are short term leases.

Company as a lessee

The Company has taken various premises under cancellable operating leases. These are renewable on periodic basis at the option of both lessor and lessee. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs. 28.98 lacs (Previous Year Rs. 23.19 lacs). The company has not recognized any contingent rent as expense in the statement of profit and loss.

Leasehold land has been recognised as Right of use assets and amortised over the lease term.

Where company is lessor

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

The aggregate amount of operating lease income recognized in the Statement of Profit and Loss is Rs. 18.00 lacs (Previous Year Rs. 13.00 lacs).

37 Employee Benefit :**(A) Defined contribution plans**

In respect of defined contribution plans, an amount of Rs. 5.79 lacs (Previous Year: Rs. 5.85 lacs) towards employer contribution to provident fund and Rs. 1.12 lacs (Previous Year : Rs. 1.26 lacs) towards employer contribution to ESIC and admin. charges in respect of PF Rs. 0.23 lacs (Previous Year : Rs. 0.23 lacs) have been recognised in the statement of profit and loss for the year.

(B) Defined benefit plans

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

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

(Amount ₹ in lacs)

Particulars	For the year 2021-22	For the year 2020-21
I. Change in Benefit Obligation	Rs.	Rs.
Liability at the beginning of the year	29.00	24.74
Interest Cost	1.43	1.21
Current Service Cost	1.55	1.54
Remeasurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(0.30)	(0.15)
Actuarial loss/(gain) arising from change in demographic assumptions	0.00	0.01
Actuarial loss/(gain) arising on account of experience changes	(0.44)	3.31
Benefit Paid	(7.36)	(1.65)
Closing of defined benefit obligation	23.88	29.01
II. Change in Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	33.76	29.63
Interest on plan assets	1.74	1.52
Contributions by Employer	3.28	4.01
Remeasurement due to :		
Actual return on plan assets less interest on plan assets	0.05	0.25
Benefit Paid	(7.36)	(1.65)
Fair Value of Plan Assets at the end of the year	31.47	33.76
III. Amount Recognized in the Balance Sheet		
Present value of funded defined benefit obligation	23.88	29.01
Fair Value of Plan Assets at the end of the year	31.47	33.76
Net funded obligation	(7.59)	(4.75)
Amount not recognized due to asset limit	1.33	0.40
Net defined benefit liability/(asset) recognised in balance sheet	(6.26)	(4.35)
Net defined benefit liability/(asset) is bifurcated as follows :		
Current	0.00	0.00
Non current	(6.26)	(4.35)
IV. Expenses Recognized in Profit and Loss A/c		
Current Service Cost	1.55	1.54
Interest Cost	(0.29)	(0.29)
Administrative expenses	0.00	0.00
Past Service Cost	0.00	0.00
Actuarial (Gain)/Loss on settlement	0.00	0.00
Expense Recognized in P & L	1.26	1.25
V. Amount recognised in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	1.49	(1.37)
Remeasurement due to :		
Changes in financial assumptions	-0.30	(0.15)
Changes in demographic assumptions	0.00	0.00
Experience adjustments	(0.44)	3.31
Actual return on plan assets less interest on plan assets	(0.05)	(0.25)
adjustment to recognise the effect of asset ceiling	0.90	(0.05)
Closing amount recognised in OCI outside profit and loss account	1.60	1.49
VI. Net defined benefit liability/(asset) reconciliation		
Opening net defined benefit liability/(asset)	(4.35)	(4.46)
Expense charged to profit and loss account	1.27	1.25
Employers Contribution	(3.29)	(4.01)
Amount recognised outside Profit & Loss	0.11	2.87
Closing net defined benefit liability/(asset)	(6.26)	(4.35)
VII. Assumptions		
Discount Rate Current	3.90%	6.55%
Rate of Return on Plan Assets Current	Funded	Funded
Salary Escalation Current	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

**SARTHAK INDUSTRIES LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022****VIII. Sensitivity Analysis**

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

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Decrease 50 bps	Increase 50 bps	Decrease 50 bps	Increase 50 bps
Change in discounting rate	24.32	23.47	29.51	28.52
Change in salary escalation rate	23.47	24.32	28.51	29.52

Inherent Risks

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

(C) LEAVE ENCASHMENT

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

Liability on account of Leave Encashment as at the year end Rs. 3.04 lacs (Previous Year Rs. 5.14 lacs).

38. Earning Per Share (EPS) :-

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Net Profit after tax (Rs. In lacs)	167.92	209.24
Nominal Value of each equity share (Rupees)	10	10
Weighted average no. of shares	6968850	6968850
Basic and diluted earning per share (Rupees)	2.41	3.00

39. Payment to auditors : (including GST)

(Amount ₹ in lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
Other Services	0.70	0.78
Cost Audit Fees	0.20	0.20
Reimbursement of Expenses	0.02	0.01

40 Trade Receivable - Ageing Schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2022						
Undisputed Trade Receivables considered good	1590.96	17.16	7.85	20.47	27.44	1663.89
Undisputed Trade Receivables credit impaired	0	0	0	0	0	0
As at 31st March, 2021						
Undisputed Trade Receivables considered good	1320.22	0.63	33.63	3.90	23.54	1381.92
Undisputed Trade Receivables credit impaired	0	0	0	0	6.12	6.12

41 Trade Payable - Ageing Schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March, 2022					
a .Micro, and Small Enterprises	0	0	0	0	0
b .Other	2422.55	1.33	6.57	0	2430.45
c .Disputed Dues - Micro, and Small Enterprises	0	0	0	0	0
d .Disputed Dues - Others	0	0	0	0	0
Total	2422.55	1.33	6.57	0	2430.45
As at 31st March, 2021					
a .Micro, and Small Enterprises	0	0	0	0	0
b .Other	1790.44	6.89	5.89	2.52	1805.74
c .Disputed Dues - Micro, and Small Enterprises	0	0	0	0	0
d .Disputed Dues - Others	0	0	0	0	0
Total	1790.43	6.89	5.89	2.52	1805.74

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****42. Segment Reporting as per Ind AS 108 :**

	2021-22			(Amount ₹ in lacs)
	L.P.G. Cylinders	Trading Business	Unallocable	Total Amount
(a) Operating segment information				
Segment Revenue	2666.61	13748.33	197.20	16612.14
	2013.35	11381.82	135.98	13531.15
Segment Results (PBIT)	41.50	229.69	80.08	351.27
	15.08	316.41	54.45	385.94
Less : Finance Cost				122.84
				91.92
Profit before Tax				228.43
				294.02
Less : Tax Expenses				60.50
				84.78
Profit after Tax				167.93
				209.24
Segment Assets	1707.00	2709.94	3491.54	7908.48
	1316.21	2975.91	2700.62	6992.74
Segment Liability	557.23	2004.59	1397.17	3958.99
	690.73	1469.30	1072.12	3232.15
Segment Property, Plant & Equip. purchased/acquired	1.56	84.89	143.58	230.03
	41.93	64.59	0.00	106.52
Segment depreciation	33.28	27.09	19.81	80.18
	36.33	25.72	3.84	65.89

Previous year figures shown in italic.

(b) Geographical segment information

The company's all operations are in India only.

	(Amount ₹ in lacs)	
Particulars	For the year 2021-22	For the year 2020-21
Domestic Revenue	16191.06	12998.20
Export Revenue	421.08	532.96
Total	16612.14	13531.16

(c) Revenue from major products

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

	(Amount ₹ in lacs)	
Particulars	For the year 2021-22	For the year 2020-21
LPG cylinders	2666.61	2013.35
Merchant Trading	13748.33	11381.82

(d) Revenue from major customers

Details of Company's revenue of 10% or more contributed by individual customers for the year ended March 31, 2022.

	(Amount ₹ in lacs)	
Particulars	For the year 2021-22	For the year 2020-21
LPG cylinders	0.00	0.00
Merchant Trading	2866.19	0.00
Total	2866.19	0.00

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****43. Related Party Disclosure :****(A) Related parties and their relationship**

a (1). Key management personnel

Name	Designation
Mr. Yogender Mohan Sharma	Whole Time Director
Ms. Riya Bhandari	Company Secretary
CA Kailash Agarwal	Chief Financial Officer

a. (2) Non- Executive Non Independent Director

Ms. Deepika Arora

b. Parties where control exists Nil

c. Entities where company, key management personnel & close members have significant influence and where transactions have taken place Nil

Related party relationship as identified by company to the extent information available with company.

(B) Transactions with related parties for the year ended 31st March, 2022**(Amount ₹ in lacs)**

Particulars	For the year 2021-22	For the year 2020-21
Expenditure :		
Remuneration		
Mr. Yogender Mohan Sharma	4.20	10.52
Ms. Deepika Arora	0.09	0.09
CS Amit Jain (Resigned w.e.f. 16.03.2021)	0.00	13.59
CA Kailash Agarwal	19.29	16.89
CS Riya Bhandari	1.20	0.00
Post employment benefits		
Mr. Yogender Mohan Sharma	0.00	0.14
CS Amit Jain (Resigned w.e.f. 16.03.2021)	0.00	0.17
CS Riya Bhandari	0.06	0.00
CA Kailash Agarwal	0.22	0.22

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

Particulars	Rate of Interest	As at 31st March, 2022	As at 31st March, 2021
a. Particulars of Loan given and outstanding as at the year end:			
Anik Jicks Logistic Pvt. Ltd	15.00%	924.22	811.63
(Loans are given for strategic business purpose.)			

b. Investments made :The same are classified under respective heads.
(Refer Note 5).**45. Financial and Derivatives Instruments -**

Derivative contract entered by the Company and outstanding as on 31.03.2022

Particulars	As at 31.03.2022	As at 31.03.2021
Currency	USD	USD
No. of contracts	2	5
Amt. in Foreign Currency (in lacs)	5.94	9.19
Equivalent amt. in INR lacs	451.06	672.3

Above contract is for hedging purpose and not for speculation.

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

Particulars	As at 31.03.2022	As at 31.03.2021
Currency		
Amt. payable in USD (in lacs)	28.37	13.18
Amt. payable in INR lacs	2153.34	963.63
Amt. receivable in USD (in lacs)	1.08	1.21
Amt. receivable in INR lacs	82.35	88.81
Net Amount Payable in USD (in lacs)	27.29	11.97
Equivalent amt. in INR lacs	2070.99	874.82

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****46. Financial risk management objectives and policies**

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

a) Market risk

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

i) Interest rate risk

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

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

(Amount ₹ in lacs)

Particulars	For the Year Ended 31 st March 2022	For the Year ended 31 st March 2021
Interest rate risk exposure (variable rate) Borrowings from banks and others	115.66	75.64
Total borrowings	115.66	75.64

Interest rate sensitivity

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

Particulars	For the Year Ended 31 st March 2022	For the Year ended 31 st March 2021
Impact on Profit or Loss for the year decrease	1.16	0.76
Impact on Profit or Loss for the year Increase	(1.16)	(0.76)

ii) Foreign currency risk

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

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

(Amount ₹ in lacs)

Particulars	As at 31 st March 2022 USD exposure in INR	As at 31 st March 2021 USD exposure in INR
Receivable net exposure		
Trade receivable	82.35	88.81
Payable net exposure		
Trade payable	2153.34	963.63
Forward exchange contracts against imports and foreign currency payable	451.06	672.30
Payable net exposure	2604.40	1635.93
Total net exposure Receivable/(Payable)	(2522.05)	(1547.12)

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****Sensitivity to foreign currency risk**

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

(Amount ₹ in lacs)

Currency	Sensitivity analysis			
	For the Year ended 31 st March 2022		For the Year ended 31 st March 2021	
	Strengthening	Weakening	Strengthening	Weakening
Sensitivity to foreign currency risk	(25.22)	25.22	(15.47)	15.47

(b) Credit risk

Credit risk is the risk that arises from the possibility that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial assets that are subject to such risk, principally consist of trade receivables, Investments and loans and advances. None of the financial instruments of the company results in material concentration of credit risk. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss. The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Trade and other receivables

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

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

(Amount ₹ in lacs)

Particular	As at 31 st March 2022	As at 31 st March 2021
1 to 180 days	1590.96	1320.22
181 to 270 days	16.69	0.63
271 to 365 days	0.48	0
More than 365 days	55.76	61.07
Total	1663.89	1381.92

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

(Amount ₹ in lacs)

Particulars	Amount
Balance as at 1st April, 2020	10.53
Provided during the year	0
Reversed during the year	4.41
Balance as at 31st March, 2021	6.12
Provided during the year	0
Reversed during the year	0.36
Balance as at 31st March, 2022	5.77

"Investments

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

Cash & Cash Equivalents

The Company holds cash & cash equivalents with credit worthy banks of Rs. 126.81 lacs as at 31st March, 2022 (Rs.81.68 lacs as at 31st March, 2021). The credit worthiness of such banks is evaluated by the management on an ongoing basis and is considered to be good.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has obtained non-fund based working capital line from bank. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, process and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****Expected contractual maturity for derivative and non derivative Financial Liabilities:****(Amount ₹ in lacs)**

Particulars	Total	Less than 1 year	1 to 5 years	>5 years
As at 31st March, 2022				
Non Derivative Financial Liabilities				
Borrowings	388.29	305.48	82.81	0.00
Trade payables (non derivative)	1979.39	1979.39	0.00	0.00
Other financial liabilities	256.83	256.83	0.00	0.00
Total	2624.51	2541.70	82.81	0.00
Derivative Financial Liabilities				
Trade payables (forward contract outstanding)	451.06	451.06	0.00	0.00
Total	451.06	451.06	0.00	0.00
As at 31st March, 2021				
Non Derivative Financial Liabilities				
Borrowings	75.64	27.47	48.17	0.00
Trade payables (non derivative)	1133.44	1133.44	0.00	0.00
Other financial liabilities	254.18	254.18	0.00	0.00
Total	1463.26	1415.09	48.17	0.00
Derivative Financial Liabilities				
Trade payables (forward contract outstanding)	672.30	672.30	0.00	0.00
Total	672.30	672.30	0.00	0.00

Capital Management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2022 and 31st March, 2021."

Gearing Ratio:**(Amount ₹ in lacs)**

Particulars	As at 31st March 2022	As at 31st March 2021
Debt (Refer Notes 18, 20 and 22)	388.30	75.64
Cash and cash equivalent (Refer Note 11)	140.48	86.49
Adjusted net Debt	247.82	(10.85)
Total Equity	3949.49	3760.59
Net Debt to equity ratio	0.063	(0.003)

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****47. Financial Instruments by Category and fair value heirarchy**

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

(Amount ₹ in lacs)

As 31 st March 2022	Fair Value Measurement			Fair Value hierarchy		
Particulars	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments in equity instruments		338.14	0.00	189.98		148.16
Cash and cash equivalents			140.48			
Bank balances other than cash and cash equivalents			278.92			
Trade Receivables			1658.12			
Loans			924.22			
Other financial assets			333.68			
Total	0.00	338.14	3335.42	189.98	0.00	148.16
Financial liabilities						
Borrowings			388.30			
Trade Payables			2430.45			
Other financial liability			256.83			
Total	0.00	0.00	3075.58	0.00	0.00	0.00
As 31st March 2021	Fair Value Measurement			Fair Value hierarchy		
Particulars	FVTPL	FVOCI	Amortised Cost	Level-1	Level-2	Level-3
Financial assets						
Investments in equity instruments		314.36	0.00	118.77		195.59
Cash and cash equivalents			86.49			
Bank balances other than cash and cash equivalents			281.20			
Trade Receivables			1375.80			
Loans			811.63			
Other financial assets			281.17			
Total	0.00	314.36	2836.29	118.77	0.00	195.59
Financial liabilities						
Borrowings			75.64			
Trade Payables			1805.74			
Other financial liability			254.18			
Total	0.00	0.00	2135.56	0.00	0.00	0.00

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

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

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

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

48. Financial Ratio

Ratio	Methodology	For the year 2021-22	For the year 2020-21	% of change from preceding year
Current Ratio	Current Assets / Current liabilities	1.37	1.55	-11.80%
Debt-Equity Ratio,	Debt / Total shareholders' equity	0.03	0.02	45.60%
Debt Service Coverage Ratio,	EBIT/ Debt	7.27	9.01	-19.28%
Return on Equity Ratio,	PAT/ Equity	4.25%	5.56%	-23.59%
Inventory turnover ratio,	Revenue from operations / Average Inventory	20.12	16.66	20.81%
Trade Receivables turnover ratio,	Revenue from operations / Average trade receivables	10.79	7.80	38.34%
Trade payables turnover ratio,	Adjusted expenses / Average trade payables	7.02	7.87	-10.83%
Net capital turnover ratio,	Revenue from operations / Average working capital	10.34	6.30	64.03%
Net profit ratio,	PAT / Revenue from operations	1.03%	1.57%	-34.51%
Return on Capital employed,	PBIT / Average capital employed	5.98%	9.42%	-36.52%
Return on investment.	Income Generated from investment / Average investments	0.00%	0.00%	--

SARTHAK INDUSTRIES LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022****Note**

1. Debt Equity ratio increased due to New Vehicle Loan Taken during the year.
2. Trade Receivable turnover ratio improved due to increased in Revenue from operations.
3. Net Capital turnover ratio improved due to increased in Revenue from operations.
4. Net profit Ratio decreased due to decreased in Net profit.
5. Return on Capital employees ratio decreased due to decreased in Net profit.

49. Tax Expenses :**A. Tax expenses recognised in the statement of Profit & Loss****(Amount ₹ in lacs)**

	For the Year 2021-22	For the Year 2020-21
(i) Current Tax		
in respect of current year	60.68	85.37
Total Current Tax	60.68	85.37
(ii) Deferred Tax		
in respect of current year	(0.17)	(0.57)
Total Deferred income tax expense/(credit)	-0.17	-0.57
(iii) Income tax for earlier years	0.00	-0.02
Total income tax expense/(credit)	60.51	84.78

B. Amounts Recognised in Other Comprehensive Income

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(i) Items that will not be reclassified to Profit or Loss		
tax impact on remeasurements of the defined benefit Plans	(0.03)	(0.80)
tax impact on Gain/Loss on change in fair value of equity instruments	2.73	14.33
(ii) Items that will be reclassified to Profit or Loss	0.00	0.00
(B) Total	2.70	13.53
Total Tax expenses for the year (A+B)	63.21	98.31

A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows:

Profit before tax	228.43	294.02
Applicable Tax Rate (%)	25.17%	27.82%
income tax as per above rate	57.49	81.80
Adjustments for taxes for		
Expense not deductible for tax purposes	23.23	24.56
Expense allowable/considered separately for tax purposes	(20.08)	(21.00)
Tax at special rate	0.00	0.00
Income Tax for earlier years	0.00	(0.02)
Others	(0.14)	(0.57)
Income tax as per statement of profit and loss	60.51	84.78
Effective interest rate	26.49%	28.83%

The movement in Deferred tax assets and liabilities during the year ended March 31, 2022 & March 31, 2021

Movement during the year ended March 31, 2022	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Deferred tax assets				
Other timing differences	9.50	(2.75)	0.03	6.78
Provision for doubtful debts	1.70	(0.25)	0.00	1.45
Deferred tax liabilities				
Depreciation on PPE	6.85	(3.17)	0.00	3.68
Other timing differences	0.04	0.00	2.73	2.77
Deferred tax assets/(liabilities) total	4.31	0.17	(2.70)	1.78

Movement during the year ended March 31,2021	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
Balance				
Deferred tax assets				
Other timing differences	8.28	0.42	0.80	9.50
Provision for doubtful debts	2.93	(1.23)	0.00	1.70
Deferred tax liabilities				
Depreciation on PPE	8.23	(1.38)	0.00	6.85
Other timing differences	0.00	0.00	14.33	0.04
Deferred tax assets/(liabilities) total	2.98	0.57	(13.53)	4.31

50 The provisions related to Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the Company.

51 Additional Regulatory Information

i. The company has not granted Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment.

ii. The company neither have any Benami property nor any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iii. The company is not declared wilful defaulter by any bank or financial Institution or other lender.

iv. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

v. The company has not made any investments till 31st March, 2022 in subsidiary company hence compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

"vi. (A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

vii. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

viii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

ix. The Company has borrowings in excess of Rs. 5 crores from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts except following difference were observed

Name of the Bank	Aggregate working capital limit sanctioned Rs., in lacs	Current assets offered as security	Quarter Ended	Amount disclosed as per quarterly statement Rs. In lacs	Difference	Reason for difference
					Rs. in lacs	
Punjab National Bank and HDFC Bank Ltd.	2500.00	Inventory and book debts	Mar-22	2100.60	5.78	Goods in transit not considered in statement submitted to bank

- 52 In view of the Covid-19 pandemic, there have been several restrictions imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures. The Company is primarily engaged in business of manufacturing of LPG Cylinders and trading of Agri and Non Agri Commodities. This COVID-19 pandemic has surely impacted the operations of the Company in many ways. Accordingly as of 31st March 2022, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The management will continue to closely monitor the evolving situation and assess its impact on the business of the Company.
- 53 Previous year's figures are regrouped or rearranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date

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

For and on behalf of Board of Directors

Yogender Mohan Sharma
Whole Time Director
DIN: 03644480

Nimishek Ved
Director
DIN: 07362817

CA Atishay Khasgiwala
Partner

M. No. : 417866

Place : Indore

Dated : May 30, 2022

CS Riya Bhandari
Company Secretary

CA Kailash K Agarwal
Chief Financial Officer