

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF M/s SARTHAK METALS MARKETING PRIVATE LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s **SARTHAK METALS MARKETING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure –A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified





as on 31 March, 2016, 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**; and
- g) In our opinion and to the best of our information and according to the explanations given to us, we report with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as under:
- i. The company does not have any pending litigation which would impact its financial position except:
- Income tax demands (A.Y.2011-12) Rs.2,94,270/- against which appeals were preferred by the company at Commissioner of Income Tax (Appeals), Raipur.
  - VAT/Commercial tax demands of Rs.7, 86,850/- of which Rs.2,20,685/- was paid for Appeal preferred with the appropriate Commercial tax Authority, Raipur.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

Place: BHILAI  
Date: 12/08/2016



**For B.VISHWANATH & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN NO. 007875C**  
*B. Vishwanath*  
**(B.VISHWANATH)**  
**PARTNER**  
**M.NO. 074096**

### Annexure- 'A' to the Auditors' Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of M/s SARTHAK METAL MARKETING PRIVATE LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2016]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancy was noticed.

(iii) The Company has granted loan to Sarthak Energy Pvt. Ltd. -balance as on 31<sup>st</sup> March 2016 Rs. 102.36 lacs and maximum outstanding during the year was Rs.351.46 lacs, covered in the Register maintained under Section 189 of the Companies Act, 2013.

- (a) In our opinion, the terms and conditions on which the loan had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company, however no interest rate has been stipulated.
- (b) It is explained that there is no irregularity occurred in the said accounts since, as explained, there is no stipulation fixed either for payment of principle or interest.
- (c) There is no overdue amount in respect of the loan granted to the parties listed in the register maintained under section 189 of the Companies Act, 2013 in view of (b) above.

(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 and investments made.

(v) The company has not received any public deposit during the year.





(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value Added Tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities barring few cases where the liabilities were paid belatedly with due interest.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company being a private limited company, provisions of section 197 read with Schedule V to the Companies Act with respect to managerial remuneration is not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(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 Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bhilai (C.G.)  
Date: 12/08/2016



**For, B.Vishwanath & Co.**  
Chartered Accountants  
F.R.N. – 007875C

*B. Vishwanath*

(B.Vishwanath)  
Partner  
M.No.074096



### **Annexure-‘B’ to the Auditor’s Report**

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of M/s SARTHAK METAL MARKETING PRIVATE LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2016]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

### **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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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



## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Place: Bhilai (C.G.)  
Date: 12/08/2016



**For B. Vishwanath & Co.**  
Chartered Accountants  
F.R.N. – 007875C

**(B. Vishwanath)**  
Partner  
M.No.074096





**SARTHAK METALS MARKETING PRIVATE LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2016**

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
<b>A</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share capital	2	120,897,500.00	120,897,500.00
	(b) Reserves and surplus	3	118,352,073.61	83,372,695.28
	<b>Total (1)</b>		<b>239,249,573.61</b>	<b>204,270,195.28</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-term borrowings	4.a	4,102,726.00	7,018,763.00
	Deferred Tax Liability	5	1,244,932.93	1,680,331.93
	Long term provisions- Gratuity		880,349.00	-
	<b>Total (2)</b>		<b>6,228,007.93</b>	<b>8,699,094.93</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	4.b	230,589,701.95	232,516,998.87
	(b) Trade payables	6	1,451,887.49	15,816,970.49
	(c) Short-term provisions	7	1,318,274.00	-
	(d) Other Current Liabilities	8	6,993,962.00	6,181,765.00
	<b>Total (3)</b>		<b>240,353,825.44</b>	<b>254,515,734.36</b>
<b>TOTAL (1 to 3)</b>			<b>485,831,406.98</b>	<b>467,485,024.57</b>
<b>B</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non-Current Assets</b>			
	<i>Fixed Assets</i>			
	(a) Tangible assets	9	58,659,392.89	58,715,991.89
	(b) Capital Work-in-progress		7,125,857.00	2,863,209.00
	(c) Unit Acquisition for future use		14,985,227.00	14,985,227.00
	<b>Total (1)</b>		<b>80,770,476.89</b>	<b>76,564,427.89</b>
<b>2</b>	<b>Non-Current Investments</b>	10	7,500,000.00	7,500,000.00
	<b>Total (2)</b>		<b>7,500,000.00</b>	<b>7,500,000.00</b>
<b>3</b>	<b>Current Assets</b>			
	(a) Inventories	11	106,975,942.35	107,738,104.43
	(b) Trade receivables	12	249,584,722.97	247,059,246.12
	(c) Cash and cash equivalents	13	15,117,890.32	13,559,480.77
	(d) Short-term loans and advances	14	25,882,374.45	15,063,765.36
	<b>Total (3)</b>		<b>397,560,930.09</b>	<b>383,420,596.68</b>
<b>TOTAL (1 to 3)</b>			<b>485,831,406.98</b>	<b>467,485,024.57</b>

SALIENT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1  
 NOTES REFERRED TO ABOVE FORM PART OF BALANCE SHEET

FOR AND ON BEHALF OF BOARD

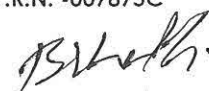
  
 (DIRECTOR)

  
 (DIRECTOR)

AUDITORS' REPORT  
 AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR B. VISHWANATH & CO.  
 CHARTERED ACCOUNTANTS  
 F.R.N. -007875C





(B. VISHWANATH)  
 PARTNER  
 M. No. 074096

PLACE: BHILAI (C.G.)  
 DATE : 12/08/2016



**SARTHAK METALS MARKETING PRIVATE LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2016**

Particulars		Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
I.	Revenue from operations (net)	15	1,277,697,943.92	1,509,230,864.95
II.	Other income	16	9,441,898.69	5,704,548.16
III.	Total Revenue (I+II)		<b>1,287,139,842.61</b>	<b>1,514,935,413.11</b>
IV.	<b>Expenses</b>			
	(a) Cost of Materials Consumed	17.a	1,103,573,849.53	1,340,132,060.61
	(b) Purchases of Traded Goods	17.b	665,954.00	812,089.00
	(c) Changes in inventories of finished goods and stock-in-trade	17.c	7,514,132.28	-11,193,003.21
	(d) Employee Benefits Expenses	18	38,344,108.00	34,457,887.00
	(e) Finance Costs	19	27,816,261.42	25,949,291.89
	(f) Depreciation and amortization expenses	9		
	-Depreciation		9,910,272.00	11,372,524.00
	-Amortization Expenses		130,000.00	130,000.00
	(g) Other Expenses	20	59,505,899.61	48,952,818.61
	<b>Total Expenses (IV)</b>		<b>1,232,432,212.28</b>	<b>1,472,999,674.32</b>
V.	<b>Profit before Exceptional items, Extraordinary items and Tax (III-IV)</b>		54,707,630.33	41,935,738.79
VI.	Exceptional items		-	-
VII.	<b>Profit before Extraordinary items and Tax (V-VI)</b>		54,707,630.33	41,935,738.79
VIII.	Extraordinary items (Corporate Social Responsibility)		766,009.00	-
IX.	<b>Profit Before Tax (VII-VIII)</b>		53,941,621.33	41,935,738.79
X.	<b>Tax Expenses:</b>			
	(a) Current tax expense		18,645,059.00	14,405,000.00
	(b) Expense relating to prior years (net)		28,990.00	37,356.00
	(c) Deferred tax Expenses (Income)		-435,399.00	-855,069.00
	<b>Total Tax Expenses (X)</b>		<b>18,238,650.00</b>	<b>13,587,287.00</b>
XI.	<b>Profit from continuing operations (IX-X)</b>		35,702,971.33	28,348,451.79
XII.	Profit from Discontinuing Operations		-	-
XIII.	Tax expense of Discontinuing Operations		-	-
XIV.	Profit from Discontinuing Operations		-	-
XV.	<b>Profit for the year (XI + XIV)</b>		<b>35,702,971.33</b>	<b>28,348,451.79</b>
XVI.	<b>Earnings per Equity share (of ` 10/- each):</b>			
	Basic & Diluted		2.95	2.34
	(EPS as per AS - 20)			

SALIENT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1

NOTES REFERRED TO ABOVE FORM PART OF PROFIT AND LOSS STATEMENT

FOR AND ON BEHALF OF BOARD

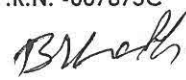
  
(DIRECTOR)

  
(DIRECTOR)

AUDITORS' REPORT  
AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR B. VISHWANATH & CO.  
CHARTERED ACCOUNTANTS  
F.R.N. -007875C



  
(B. VISHWANATH)  
PARTNER  
M. No. 074096

PLACE: BHILAI (C.G.)  
DATE : 12/08/2016



**M/S SARTHAK METALS MARKETING PRIVATE LIMITED**

**BHILAI ( C.G.)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016**

	Particulars	31st March 2016 (` in Lacs)	31st March 2015 (` in Lacs)
A	<b>Cash Flow from operating activities:</b>		
	Net Profit before tax and extraordinary activities	539.42	419.36
	Adjustments for:		
	Depreciation	99.10	113.73
	Interest Paid	278.16	259.49
	Operating Profit before Working Capital changes	916.68	792.58
	Adjustments for:		
	Inventories	7.62	-26.85
	Trade & Other Receivables	(25.25)	(460.00)
	Short-term loans and advances	(108.19)	15.19
	Short Term Borrowings	(19.27)	450.91
	Trade Payable	(143.65)	1.89
	Long term provisions - Gratuity	8.80	-
	Other Current Liabilities	8.12	1.40
	Short term Provision	13.18	-
	Cash generated from operations	658.05	775.13
	Interest paid	278.16	259.49
	Direct Taxes Paid	186.74	144.42
	Cash Flow before extraordinary activities	193.14	371.21
	<i>Net Cash Flow from/(used in) operating activities (Total 'A')</i>	<i>193.14</i>	<i>371.21</i>
B	<b>Cash Flow from Investing Activities</b>		
	Purchase of equity shares in other companies	-	(30.00)
	Purchase of Fixed Assets	(141.16)	(307.27)
	Sale of Fixed Assets	-	4.05
	<i>Net Cash Flow (used in)/from investing activities (Total 'B')</i>	<i>-141.16</i>	<i>-333.22</i>
C	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Share Application money	-	-
	Provision for Gratuity (Prior periods)	(7.24)	-
	Proceeds/(Repayment) from/of Unsecured Loan	-	-
	Proceeds/(Repayment) from/of Secured Loan	(29.16)	-47.76
	<i>Net Cash Flow (used in)/from financing activities (Total 'C')</i>	<i>-36.40</i>	<i>-47.76</i>
	Net increase in Cash & Cash equivalents (A+B+C)	15.58	-9.77
	Cash & Cash Equivalents at the beginning of the year	135.59	145.36
	<b>Cash &amp; Cash Equivalents at the close of the year</b>	<b>151.18</b>	<b>135.59</b>

THIS IS THE CASH FLOW STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF BOARD

  
DIRECTOR

  
DIRECTOR

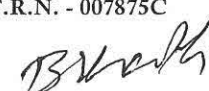


AUDITOR'S REPORT

AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR B. VISHWANATH & CO.  
CHARTERED ACCOUNTANTS

F.R.N. - 007875C

  
(B. VISHWANATH)  
PARTNER  
M.No. 074096

Place: Bhilai

Date: 12/08/2016

**SARTHAK METALS MARKETING PRIVATE LIMITED**

**BHILAI ( C.G. )**

**FINANCIAL YEAR : 2015-2016**

**NOTE - ' 1 ' - SALIENT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**(A) SALIENT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

The accounts are prepared on historical cost convention with accrual basis and materially comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except the gratuity liability which is accounted for on cash /payment basis.

**2. FIXED ASSETS AND DEPRECIATION**

Fixed assets are stated at their original cost less depreciation. Cost includes inward freight, duties and taxes and expenses incidental to acquisition and installation.

Depreciation has been provided on WDV rates as specified in PART-C of Schedule-II of the Companies Act, 2013 commencing from the current financial year.

**3. PRE-OPERATIVE EXPENSES**

Expenditure incurred during pre-operative/installation period prior to commencement of commercial production is stated at cost and are pro-rata allocated to factory building, plant & machinery, electrical equipments.

**4. REVENUE RECOGNITION**

Sales are recorded when supply of goods takes place in accordance with the terms of sale. Sales include excise duty and other taxes, wherever applicable.

**5. CLAIMS, TAXES, DUTIES, ETC.**

Taxes & duties, deductions, escalations, insurance claims etc, are accounted for determination / acceptance basis.

**6. INVENTORY VALUATION AND CONSUMPTION COST VALUATION**

(I) Goods are valued at landed cost / estimated cost or market price whichever is lower.

(II) Raw material consumption costs are taken after netting off credits available, if any.

(III) In case of oxygen gas and cored wire stocks, estimated cost is taken based on the selling price, as per past practice.

**7. FOREIGN CURRENCY TRANSACTIONS**

Gains or losses on account of foreign currency transactions relating to raw material procurement & Sales are accounted for on determination basis and are charged to Profit & Loss Statement.

**8. EMPLOYEE BENEFITS**

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits. The Company's contribution to provident fund and superannuation fund are charged as an expense as they fall due based on the amount of contribution required to be made. However, gratuity liabilities are accounted for on cash/payment basis, as per past practice.

**9. AMORTIZATION OF DEFFERED REVENUE EXPENDITURE**

Such expenses are being written off in five equal yearly installments.



Contd...2



**B. NOTES ON ACCOUNTS**

1. Previous year's figures have been regrouped / reclassified wherever to correspond with the current year's classification / disclosure.

2. Contingent Liabilities (Not Provided For) in respect of :

Sl. No.	Particulars	31.03.2016	31.03.2015
		(Amt in Rs.)	(Amt in Rs.)
(a)	Demand Raised by Income Tax Deptt. till date	294,270.00	294,270.00
	Amount Paid For Appeals Preferred	-	-
(b)	Demand Raised Commercial Tax Deptt. till date	786,850.00	786,850.00
	Amount Paid For Appeals Preferred	220,685.00	78,685.00
(c)	Bank Guarantee/LC Outstanding	5,916,026.00	4,000,000.00
	Less : Margin Provided (STDR)	13,378,365.00	10,884,666.00
	Net liability	-	-

3. State Capital Investment Subsidy of Rs. 500000/- had been received from DIC, Raipur vide letter no. DIC-R/FA/66 dated 11.06.98.

4. Closing stock is taken as considered, verified and certified by the mangement.

5.(a) In the opinion of board, all current assets including sundry debtors, loans and advances, etc. are recoverable in the ordinary course of business and would realize the value as stated.

(b) Further, in the opinion of board, the provisions for depreciation and all known liabilities are adequate and are not in excess of the amount reasonably necessary.

6. Parties' closing balances are subject to confirmation and /or reconciliation however, company has adopted a system to ascertain the balance confirmation on periodical basis and any consequential adjustments, presently unascertainable, shall be accounted for as and when these accounts are reconciled / settled.

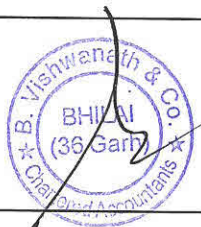
7. Closing cash on hand is as certified by the management.

8. Segment reporting as per AS-17 is as per Annexure 1 attached.

9. Related Party Disclosures as per AS-18

I The list of related parties as identified by the management is as under:

S. No.	Particulars	Name
1.	Key Management Personnel (KMP)/ Directors of the Company	a. Shri Anoop Kumar Bansal b. Shri Kishore Kumar Bansal c. Shri Manoj Kumar Bansal d. Shri Sanjay Shah
2.	Associate Enterprise	a. Metal Grace Injection Alloys Pvt. Ltd. b. Bansal Brothers c. Shri D.R. Bansal (HUF) d. Manoj Bansal HUF e. Sarthak Energy Pvt.Ltd.



II Transaction with the related party :

(Amt. in Rs.)

i.	Details of Transactions	Directors/KMP	Associates
	Remuneration	14,400,000.00	-
		(10,800,000.00)	-
	Purchase of Packing Material	-	123,654.00
		-	-
	Purchase of Consumable Stores	-	52,739.00
		-	(811,753.00)
	Transportation Expenses	-	45,500.00
		-	(86,173.00)
	Repair & Maintenance Expenses	-	3,985.00
		-	(136,642.00)
	Purchase of Raw Material	-	82,248,233.00
		-	(15,781,132.00)
	Purchase of Fixed Assets	-	33,972.00
		-	-
	Sale of Goods	-	44,401,868.00
		-	(322,250.50)
	Interest on Unsecured Loans	-	287,368.00
		-	(305,020.00)
	Rent Paid	-	144,000.00
		-	(144,000.00)
ii.	<b>Outstandings</b>		
	Amount due from(Assets) as on 31.03.2016	-	40,036,280.00
		-	(1,646,280.00)
	Amount due to(Liabilities) as on 31.03.2016	-	1,822,769.00
		-	(1,987,277.00)

\*figures in bracket represents previous year figures

Party wise transactions:

S.No.	Party Name	Type of Transactions	Amount (Rs.)
1	Metal Grace Injection Alloys Private Limited	Interest on Loan	287,368.00
		Rent paid	144,000.00
2	Sarthak Energy Private Limited	Loans & Advances	10,236,280.00
		Sales	29,800,000.00
3	M/s Bansal Brothers	Purchase of Packing Material	123,654.00
		Purchase of Consumable Stores	52,739.00
		Purchase of Raw Material	82,248,233.00
		Purchase of Fixed Assets	33,972.00
		Repair & Maintenance	3,985.00
		Sale of Goods	14,601,868.00
		Transportation Charges	45,500.00



Contd...4



10. Accounting Standard 22 - Accounting for Taxes on Income

The Company follows the depreciation method as per the Companies Act 2013. Deferred tax has been worked out @ 33.063% on the Treatment of Depreciation under the Companies vis-a-vis the Income Tax Act. The Company has provided the Liability / Assets for Deferred Tax under the head Deferred Tax Liability. Accordingly the amount of Deferred Tax Asstes is as follows:-

	Particulars	Amount (Rs.)
a.	Opening balance of DTL on account of Time Difference	1,680,331.93
b.	Difference in depreciation as per Companies Act and I.T. Act (i.e. Rs.99,10,270.00 less Rs. 85,93,393.00)	1,316,877.00
c.	Tax Liability @ 33.063 % (Asset)	435,399.00
d.	Closing Liability (a-c)	1,244,932.93

11. Expenditure in Foreign Currency

Particulars	2015-16 (in Rs.)	2014-15 (in Rs.)
Foreign Tour Expenses (Exchange Purchase Cost)	961,631.00	2,318,485.00

12. Raw-material Purchases & Expenses include cost of imported goods also.

13. Legal Expenses incurred for increase in authorised Capital is being written off in five equal yearly installments.

14. As per AS-20, Calculation of EPS for the year ended:

	Particulars	2016	2015
(a)	Net Profit as per P&L A/c	35,702,971.33	28,348,451.79
(b)	No. of Shares	12089750	12089750
	EPS (a/b)	2.95	2.34

15. Employee Benefits as per AS-15 is as per Annexure 2 attached.

SIGNATURE TO NOTE '1'

FOR AND ON BEHALF OF THE BOARD


  
DIRECTOR

  
DIRECTOR

FOR B. VISHWANATH & CO.  
CHARTERED ACCOUNTANTS

F.R.N. 007875C



  
(B. VISHWANATH)  
PARTNER  
M.No. 074096

PLACE : BHILAI (C.G.)

DATE : 12.08.2016

**SARTHAK METAL MARKETING PRIVATE LTD.**

FY. 2015-16

**Annexure 1 - SEGMENT REPORTING UNDER AS-17**

(Refer Note 1 - CLAUSE No. 8)

**Information about Primary Business Segment**

Sl. No.	Particulars	Cored Wire		Gas		Unallocable		Total		(Amount in Rs.)
		F.Y. 2015-16	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2014-15	F.Y. 2015-16	F.Y. 2014-15	
A	<b>Segment Revenue</b>									
	External Revenue	1,411,082,958.36	1,662,177,167.66	21,523,898.25	18,421,749.45	-	-	1,432,606,856.61	1,680,598,917.11	
	Inter Segment Revenue	-	-	12,666.00	14,186.00	-	-	12,666.00	14,186.00	
	<b>Gross Turnover</b>	1,411,082,958.36	1,662,177,167.66	21,536,564.25	18,435,935.45	-	-	1,432,619,522.61	1,680,613,103.11	
	Less Excise Duty	145,479,680.00	165,798,449.00	-	-	-	-	145,479,680.00	165,798,449.00	
	<b>Net Turnover</b>	1,265,603,278.36	1,496,378,718.66	21,536,564.25	18,435,935.45	-	-	1,287,139,842.61	1,514,814,654.11	
B	<b>Segment Result before Deferred Tax</b>	37,902,314.98	33,257,334.34	3,327,474.35	282,767.45	(5,962,217.00)	(6,046,719.00)	35,267,572.33	27,493,382.79	
	Less: Deferred tax	-	-	-	-	(435,399.00)	(855,069.00)	(435,399.00)	(855,069.00)	
C	<b>Profit After tax</b>	37,902,314.98	33,257,334.34	3,327,474.35	282,767.45	(5,526,818.00)	(5,191,650.00)	35,702,971.33	28,348,451.79	
	<b>Other Information</b>									
	Segment Assets	#REF!	455,174,898.96	23,161,027.61	23,416,292.26	3,050,116.35	3,298,833.35	#REF!	481,890,024.57	
	Segment Liabilities	241,817,341.44	256,915,075.36	2,638,682.00	4,618,894.00	528.00	528.00	244,456,551.44	261,534,497.36	
	Capital Expenditure during the year	12,031,840.00	15,457,160.00	2,084,481.00	284,646.00	-	-	14,116,321.00	15,741,806.00	
	<b>Depreciation &amp; Amortization</b>									
	Depreciation	6,420,155.00	7,166,843.00	3,134,978.00	3,747,390.00	355,139.00	458,291.00	9,910,272.00	11,372,524.00	
	Amortization	130,000.00	130,000.00	-	-	-	-	130,000.00	130,000.00	





**SARTHAK METAL MARKETING PRIVATE LTD.**

**FY. 2015-16**

**Annexure 2 - EMPLOYEE BENEFITS UNDER AS-15**

**(Refer Note 1 - CLAUSE No. 15 )**

**Employee benefits**

**A. Provident Fund Contribution**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined contribution plan. The contribution made by the Company during the year is Rs. 6,18,377/- (previous year: 4,77,779).

**B. Gratuity\***

The following table set outs the status of the gratuity plan as required under AS 15:

**Amount to be recognised in the Statement of Profit and Loss**

Description	For the year ended	For the year ended
	31 March 2016	31 March 2015
	(Rs.)	(Rs.)
Current service cost	256,895	187,334
Interest cost	57,887	43,018
Net actuarial (gain) recognised during the year	(57,699)	(44,482)
	<u>257,083</u>	<u>185,870</u>

**Amounts to be recognised in the Balance Sheet**

Description	As at 31 March 2016	As at 31 March 2015
	(Rs.)	(Rs.)
Present value of the obligation at the end of the year	980,676	723,593
Fair value of plan assets at end of the year	-	-
<b>Net liability recognised in balance sheet</b>	<u>980,676</u>	<u>723,593</u>
Current portion	100,327	89,972
Non-current portion	880,349	633,621
	<u>980,676</u>	<u>723,593</u>

**Change in present value obligation**

Description	For the year ended	For the year ended
	31 March 2016	31 March 2015
	(Rs.)	(Rs.)
Present value of obligation as at the beginning of the year	723,593	537,723
Current service cost	256,895	187,334
Interest cost	57,887	43,018
Actuarial gain recognised during the year	(57,699)	(44,482)
<b>Present value of obligation as at the end of the year</b>	<u>980,676</u>	<u>723,593</u>



The principal assumptions used in determining gratuity for the Company's plans are shown below:

Description	As at 31 March 2016	As at 31 March 2015
Discounting rate (per annum)	8.00%	8.00%
Future salary increase (per annum)	10.00%	10.00%
Mortality	IALM 2006-08 ultimate	IALM 2006-08 ultimate
Withdrawal rate		
- upto 30 years (per annum)	5.00%	5.00%
- from 31 to 44 years (per annum)	3.00%	3.00%
- above 44 years (per annum)	2.00%	2.00%

### C. Compensated absences\*

Description	As at 31 March 2016	As at 31 March 2015
Discounting rate (per annum)	8.00%	8.00%
Future salary increase (per annum)	10.00%	10.00%
Mortality	IALM 2006-08 ultimate	IALM 2006-08 ultimate
Withdrawal rate		
- upto 30 years (per annum)	5.00%	5.00%
- from 31 to 44 years (per annum)	3.00%	3.00%
- above 44 years (per annum)	2.00%	2.00%

\*Till the previous year, the provision for gratuity and compensated absences was made based on the assumption that such benefits were payable to eligible employees at the end of the accounting year. Eligible employees mean the employees who had served at least one year in a Company. The Company did not value the liability of Gratuity and compensated absences basis the actuarial valuation. However, in the current year, the Company acknowledged the fact that the actuarial valuation is applicable on the Company as per Accounting Standard-15(Revised). Accordingly, the actuarial liability for gratuity was made in the current year and actuarial liability for gratuity has been recognised for the previous years as part of prior period adjustment.





**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 2 Share capital:**

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amt. in `	Number of shares	Amt. in `
(a) Authorised Share Capital Equity shares of ` 10/- each with voting rights	15,000,000	150,000,000.00	15,000,000	150,000,000.00
(b) Issued Share Capital Equity shares of ` 10/- each with voting rights	12,089,750	120,897,500.00	12,089,750	120,897,500.00
(c) Subscribed and fully paid up Share Capital Equity shares of ` 10/- each with voting rights	12,089,750	120,897,500.00	12,089,750	120,897,500.00
<b>Total</b>	<b>12,089,750</b>	<b>120,897,500.00</b>	<b>12,089,750</b>	<b>120,897,500.00</b>

Refer Notes (i) to (v) below

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Issue/ Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2016					
- Number of shares	12,089,750	-	-	-	12,089,750
- Amount (`)	120,897,500.00	-	-	-	120,897,500.00
Year ended 31 March, 2015					
- Number of shares	12,089,750	-	-	-	12,089,750
- Amount (`)	120,897,500.00	-	-	-	120,897,500.00

(ii) Details of shares held by each shareholder holding more than 5% shares:

**Equity shares with voting rights**

Class of shares / Name of shareholder		As at 31 March, 2016		As at 31 March, 2015	
S.No.	Particulars	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>A.</b>	<b>Directors</b>				
1	Shri Anoop Kumar Bansal	1,145,250	9.47	1,137,750	9.41
2	Shri Kishore Kumar Bansal	741,000	6.13	741,000	6.13
<b>B.</b>	<b>Relatives</b>				
	Shri Manoj Kumar Bansal	3,779,100	31.26	3,771,600	31.20
<b>C.</b>	<b>Others</b>				
1	Sarthak Energy Private Ltd.	1,613,250	13.34	1,613,250	13.34
2	Metal-Grace Injection Alloys Private Limited	900,000	7.44	900,000	7.44

(iii) The company has only one class of equity shareholders. Each shareholder is entitled to right of one vote per share.

(iv) The company declares and pays dividend in Indian Rupees. Dividend proposed by directors is subject to approval of shareholders at the ensuing Annual General Meeting.

(v) In the event of liquidation, equity shareholders shall be eligible to receive remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

(vi) Number of bonus shares allotted to existing shareholders for consideration other than cash in the last five years.

Sl. No.	Date of Issue of Bonus Shares	Number of Bonus Shares Issued
1	16-Mar-12	2,048,000
2	15-Mar-13	4,011,500
3	22-Mar-14	4,023,250



## SARTHAK METALS MARKETING PRIVATE LIMITED

Notes forming part of the financial statements

### Note 3 - Reserves and Surplus:

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Securities Premium Account		
Opening Balance	11,391,000.00	11,391,000.00
Add: Premium on issue of shares	-	-
<b>Closing Balance [Sub -Total (a)]</b>	<b>11,391,000.00</b>	<b>11,391,000.00</b>
(b) State Investment Capital Subsidy		
Opening balance	500,000.00	500,000.00
<b>Closing Balance [Sub -Total (b)]</b>	<b>500,000.00</b>	<b>500,000.00</b>
(c) Surplus		
Opening balance	71,481,695.28	43,626,025.63
Less : Depreciation effect due to Operation of law	-	492,782.14
Less: Provision for Gratuity (Prior period)	723,593.00	-
Add: Profit for the year (Transferred from Profit and Loss Statement)	35,702,971.33	28,348,451.79
<b>Closing balance [Sub -Total (c)]</b>	<b>106,461,073.61</b>	<b>71,481,695.28</b>
<b>Total (a+b+c)</b>	<b>118,352,073.61</b>	<b>83,372,695.28</b>

### Note 4.a - Long-Term Borrowings:

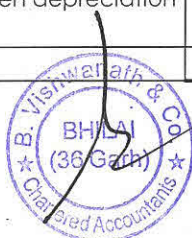
Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Term loans from Banks		
Secured	2,279,957.00	5,031,486.00
<b>Total (a)</b>	<b>2,279,957.00</b>	<b>5,031,486.00</b>
(b) Loans and advances from Related Parties		
Unsecured	1,822,769.00	1,987,277.00
<b>Total (b)</b>	<b>1,822,769.00</b>	<b>1,987,277.00</b>
<b>Total (a+b)</b>	<b>4,102,726.00</b>	<b>7,018,763.00</b>

### Note 4.b - Short-Term Borrowings:

Particulars	As at 31 March, 2016	As at 31 March, 2015
Secured		
Working Capital Loans & Others	228,048,710.95	219,103,731.87
Term Loans	2,540,991.00	13,413,267.00
<b>Total</b>	<b>230,589,701.95</b>	<b>232,516,998.87</b>

### Note 5 - Disclosures under Accounting Standards:

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Deferred tax (Asset) / Liability</b>		
Tax effect of items constituting deferred tax liability		
Tax liability on account of timing difference between depreciation as per Co. Act & IT Act	1,244,932.93	1,680,331.93
<b>Net deferred tax liability</b>	<b>1,244,932.93</b>	<b>1,680,331.93</b>





**SARTHAK METALS MARKETING PRIVATE LIMITED**

**Note 4 (a&b) Borrowings Contd...**

**Notes for 4.a Long-Term Borrowings :**

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured & other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
<b>Term loans &amp; Other loans from banks:</b>					
SBI SME Car Loan (HONDA CITY)	(a) As per agreed EMI on respective asset & (b) Hypothecation of Plant & Machineries and Vehicles	-	-	110,164.00	-
SBI SME Car Loan (MERCEDEZ)		1,461,316.00	-	2,199,687.00	-
SBI SME Car Loan (DUSTER)		401,774.00	-	547,825.00	-
SBI SME Car Loan (ECO SPORT)		416,867.00	-	544,513.00	-
SBI SME TERM LOAN		-	-	1,629,297.00	-
<b>Total - Term loans from banks</b>		<b>2,279,957.00</b>	<b>-</b>	<b>5,031,486.00</b>	<b>-</b>
<b>Loans and advances from related parties:</b>					
M/s Metal Grace Injection Alloys Pvt. Ltd., Bhilai	As per agreed terms	-	1,822,769.00	-	1,987,277.00
<b>Total - Loans and advances from related parties</b>		<b>-</b>	<b>1,822,769.00</b>	<b>-</b>	<b>1,987,277.00</b>

**Notes for 4.b Short-Term Borrowings :**

Details of terms of repayment for the short-term borrowings and security provided in respect of the secured & short-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2016		As at 31 March, 2015	
		Secured	Unsecured	Secured	Unsecured
Cash Credit Loan from SBI	(a) On demand and renewable after one year &	149,243,213.53	-	158,744,456.87	-
SBI,SME Branch,Bhilai SLC		-74,959.00	-	10,039,827.00	-
SBI SME Car Loan (HONDA CITY)	(b) Hypothecation of Stocks & Book Debts and Vehicles	141,894.00	-	331,776.00	-
SBI SME Car Loan (MERCEDEZ)		1,037,664.00	-	1,037,664.00	-
SBI SME Car Loan (DUSTER)	(c) As per agreed EMI on respective asset	216,000.00	-	216,000.00	-
SBI SME Car Loan (ECO SPORT)		195,804.00	-	195,804.00	-
SBI SME TERM LOAN		1,436,392.00	-	2,004,000.00	-
SBI, Buyer's Credit		26,232,096.00	-	14,552,786.00	-
AXIS BANK LTD		52,161,597.42	-	45,394,685.00	-
<b>Total - Working Capital loans</b>		<b>230,589,701.95</b>	<b>-</b>	<b>232,516,998.87</b>	<b>-</b>



**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 6 - Trade Payables:**

Particulars	As at 31 March,	As at 31 March,
	2016	2015
<i>Trade Payables:</i>		
Other than Acceptances	1,451,887.49	15,816,970.49
<b>Total</b>	<b>1,451,887.49</b>	<b>15,816,970.49</b>

**Note 7 - Short-Term Provisions:**

Particulars	As at 31 March,	As at 31 March,
	2016	2015
Corporate Social Responsibility	766,009.00	-
Provision for Gratuity	100,327.00	-
Provision for Income Tax	451,938.00	-
<b>Total</b>	<b>1,318,274.00</b>	<b>-</b>

**Note 8 - Other Current Liabilities:**

Particulars	As at 31 March,	As at 31 March,
	2016	2015
Audit Fees Payable	131,250.00	126,405.00
Bonus Payable	1,975,000.00	1,600,000.00
E.P.F. Payable	105,135.00	76,104.00
E.S.I.C. Payable	35,404.00	23,076.00
Electricity Charges Payable	868,960.00	739,670.00
Leave Salary Payable	256,445.00	229,469.00
LTA Payable	152,900.00	159,567.00
Salary Payable	1,601,455.00	1,477,911.00
Service Tax Payable	10,158.00	42,375.00
TCS Payable	671.00	6,355.00
TDS Payable	946,782.00	1,061,772.00
Telephone Expenses Payable	43,127.00	-
Interest in Advance	866,675.00	634,902.00
Others	-	4,159.00
<b>Total</b>	<b>6,993,962.00</b>	<b>6,181,765.00</b>

**Note 10 - Non-Current Investments:**

Particulars	As at 31 March,	As at 31 March,
	2016	2015
Shares in Sarthak Energy Private Limited (250000 Equity shares of face value Rs 10/- each)	7,500,000.00	7,500,000.00
<b>Total</b>	<b>7,500,000.00</b>	<b>7,500,000.00</b>





Tangible assets	GROSS BLOCK						Accumulated Depreciation and Impairment				Net Block	
	Balance as at 1 April, 2015	Additions	Disposals	Balance as at 31 March, 2016	Balance as at 1 April, 2015	Depreciation / amortisation expense for the year	Depreciation on Asset sold	Other adjustments	Balance as at 31 March, 2016	Balance as at 31 March, 2015	Balance as at 31 March, 2016	Balance as at 31 March, 2015
(a) Land												
Land Development	82,257.00	-	-	82,257.00	-	-	-	-	-	-	82,257.00	82,257.00
Factory Land Leasehold	98,149.00	-	-	98,149.00	-	-	-	-	-	-	98,149.00	98,149.00
Land (Hatkhaji), Bhilai	-	4,294,062.00	-	4,294,062.00	-	-	-	-	-	-	4,294,062.00	-
Land (Borai-Rasmada), Bhilai	7,959,456.00	812,740.00	-	8,772,196.00	-	-	-	-	-	-	8,772,196.00	7,959,456.00
Factory Land Leasehold (Bhilai)	871,304.00	-	-	871,304.00	-	-	-	-	-	-	871,304.00	871,304.00
(b) Buildings												
Owned												
In Bhilai	12,028,852.63	-	-	12,028,852.63	4,929,890.60	592,057.00	-	-	5,521,947.60	-	6,506,905.03	7,098,962.03
In Raipur	5,150,897.65	-	-	5,150,897.65	1,906,465.98	307,681.00	-	-	2,214,146.98	-	2,936,750.67	3,244,431.67
In Nagpur	3,303,825.00	-	-	3,303,825.00	732,772.00	125,168.00	-	-	857,940.00	-	2,445,885.00	2,571,053.00
(c) Plant, Machinery & Equipment												
Owned												
In Bhilai	22,218,732.92	1,039,710.00	-	23,258,442.92	12,521,488.42	2,098,269.00	-	-31,422.00	14,588,335.42	-	8,670,107.50	9,697,244.50
In Raipur	21,347,386.20	-	-	21,347,386.20	13,143,053.22	1,589,097.00	-	-	14,732,150.22	-	6,615,235.98	8,204,332.98
In Nagpur	-	-	-	-	-	-	-	-	-	-	-	-
(d) Furniture and Fixtures												
Owned												
In Bhilai	812,386.00	-	-	812,386.00	411,248.00	118,317.00	-	-	529,565.00	-	282,821.00	401,138.00
In Raipur	2,215.00	-	-	2,215.00	2,104.00	-	-	-	2,104.00	-	111.00	111.00
In Nagpur	1,438,141.00	-	-	1,438,141.00	915,063.00	171,350.00	-	-	1,086,413.00	-	351,728.00	523,078.00
(e) Vehicles												
Owned												
In Bhilai	13,025,962.00	-	-	13,025,962.00	5,275,073.00	2,653,818.00	-	-	7,928,891.00	-	5,097,071.00	7,750,889.00
In Raipur	4,893,927.00	57,650.00	-	4,951,577.00	3,628,346.00	433,809.00	-	-	4,062,155.00	-	889,422.00	1,265,581.00
In Nagpur	87,000.00	-	-	87,000.00	34,745.00	14,112.00	-	-	48,857.00	-	38,143.00	52,255.00
(f) Office equipment												
Owned												
In Bhilai	2,259,114.68	1,622,680.00	-	3,881,794.68	1,719,606.36	957,692.00	-	31,424.00	2,708,722.36	-	1,173,072.32	539,508.32
In Raipur	119,100.00	-	-	119,100.00	101,317.00	11,827.00	-	-	113,144.00	-	5,956.00	17,783.00
In Nagpur	318,489.00	-	-	318,489.00	228,257.00	44,509.00	-	-	272,766.00	-	45,723.00	90,232.00
(g) Others												
Owned												
Gas Cylinders (Raipur)*	33,494,515.39	2,026,831.00	-	35,521,346.39	25,246,289.00	792,564.00	-	-	26,038,853.00	-	9,482,493.39	8,248,226.39
<b>Sub-Total</b>	<b>129,511,710.47</b>	<b>9,853,673.00</b>	-	<b>139,365,383.47</b>	<b>70,795,718.58</b>	<b>9,910,270.00</b>	-	<b>2.00</b>	<b>80,705,990.58</b>	-	<b>58,659,392.89</b>	<b>58,715,991.89</b>
Capital WIP- ERP	2,863,209.00	1,121,264.00	-	3,984,473.00	-	-	-	-	-	-	3,984,473.00	2,863,209.00
Capital WIP- Factory Shed & Building	-	2,062,384.00	-	2,062,384.00	-	-	-	-	-	-	2,062,384.00	-
Capital WIP - Furnace	-	1,079,000.00	-	1,079,000.00	-	-	-	-	-	-	1,079,000.00	-
New unit purchased at Borai-Rasmada (Kalyani Steels)	14,985,227.00	-	-	14,985,227.00	-	-	-	-	-	-	14,985,227.00	14,985,227.00
<b>Total</b>	<b>147,360,146.47</b>	<b>14,116,321.00</b>	-	<b>161,476,467.47</b>	<b>70,795,718.58</b>	<b>9,910,270.00</b>	-	<b>2.00</b>	<b>80,705,990.58</b>	-	<b>80,770,476.89</b>	<b>76,564,427.89</b>
Previous year	117,617,281.47	30,727,033.00	984,168.00	147,360,146.47	59,696,378.44	11,372,524.00	765,966.00	492,782.14	70,795,718.58	68,569,664.89	80,770,476.89	76,564,427.89

\* Circulating assets

## SARTHAK METALS MARKETING PRIVATE LIMITED

### Notes forming part of the financial statements

#### Note 11 - Inventories:

(Valuation is at Lower of Cost and Net Realisable Value)

Particulars	As at 31 March, 2016	As at 31 March, 2015
(a) Raw materials	88,489,072.75	96,712,367.11
(b) Finished goods	17,841,869.60	10,327,737.32
(c) Consumable Goods, Stores and spares	120,000.00	113,000.00
(d) Others (Packing Goods)	525,000.00	585,000.00
<b>Total</b>	<b>106,975,942.35</b>	<b>107,738,104.43</b>

#### Note 12 - Trade Receivables:

Particulars	As at 31 March, 2016	As at 31 March, 2015
<u>Debtors Outstanding for a Period Exceeding Six Months</u>		
Unsecured, Considered Goods	50,268,244.25	302,197.00
<b>Sub - Total (a)</b>	<b>50,268,244.25</b>	<b>302,197.00</b>
<u>Debtors Outstanding for a Period below Six Months</u>		
Secured	10,000,000.00	-
Unsecured, Considered Good	189,316,478.72	246,757,049.12
<b>Sub - Total (b)</b>	<b>199,316,478.72</b>	<b>246,757,049.12</b>
<b>Total (a+b)</b>	<b>249,584,722.97</b>	<b>247,059,246.12</b>

#### Note 13 - Cash and Cash Equivalents:

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Cash on hand</b>	431,881.87	456,738.87
<b>(b) Balances with banks</b>		
State Bank of India, Bokaro	-	5,910.00
State Bank of India (SME P/P)	849,598.48	1,857,641.56
State Bank of India, Ind. Area, Raipur (C/A)	5,065.79	79,752.54
State Bank of India, SME Branch, Bhilai (C/A)	343,186.83	271,401.45
State Bank of India, Nagpur	109,792.35	3,370.35
<b>Sub Total (b)</b>	<b>1,307,643.45</b>	<b>2,218,075.90</b>
<b>(c) In Fixed Deposits (held as Margin Money)</b>		
SBI, SME Branch, Bhilai for L/C, B/G and Buyers' credit	13,378,365.00	10,884,666.00
<b>Sub Total (c)</b>	<b>13,378,365.00</b>	<b>10,884,666.00</b>
<b>Total (a+b+c)</b>	<b>15,117,890.32</b>	<b>13,559,480.77</b>





**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 14 - Short-Term Loans and Advances:**

Particulars	As at 31 March, 2016	As at 31 March, 2015
Asim Engineering Works, Nagpur	924,750.00	-
BALCO, JSW	307,373.00	-
Bharat Aluminium Co. Ltd.	435,443.57	3,418,366.17
Cenvat (Capital Goods) Receivable	50,210.16	46,542.16
Cenvat (Raw Materials) Receivable	9,818,201.32	82,495.32
Comm. Of Custom & Excise	1,180,800.00	-
Copper Spiral RFINd technologies Pvt Ltd.	30,000.00	30,000.00
CST Appeal (2008-09)	220,685.00	220,685.00
Factory Licence Fees	6,375.00	-
FD with Bansidhar Kedia Limited, Raipur	16,596.00	16,596.00
FD with Commercial Tax Deptt. Circle-II, Durg	5,000.00	5,000.00
Gentech Engg. Services	30,000.00	30,000.00
Gopi Kishan Engineering & Repairing Works, Raipur	1,400.00	-
Income Tax Appeal (2011-12)	213,680.00	-
Income Tax Refundable (FY. 2014-15)	212,947.00	212,947.00
IT Payable Nagpur	5,345.00	5,345.00
Lease rent	47,808.00	59,760.00
Mahamaya Steel Industries Ltd.	15,547.00	-
National Small Industries Corpn. Limited	643,871.71	8,837,553.21
Preliminary Expenses	195,000.00	325,000.00
R.M. Construction	15,000.00	-
R.S.V.P. Engg. & Project Consultant Pvt. Ltd.	25,000.00	-
S.D. with CSPDCL, Chhawani	43,570.00	43,570.00
S.D. with R.A.O. CSPDCL	1,590.00	1,590.00
Saanxi Shenghua Metallurgy Chemical Co. Ltd.	479,934.00	-
Sales Tax (Appeal 04-05) & (07-08)	18,840.00	34,283.00
Sarthak Energy Pvt. Ltd.	10,236,280.00	1,646,280.00
SD with Balajee Enterprises	1,600.00	1,600.00
SD with BSNL, Nagpur	5,000.00	5,000.00
SD with Commercial Tax Deptt. Circle-II, Durg	4,000.00	4,000.00
SD with CSPDCL, Raipur	1,745,697.00	1,589,275.00
SD with Jhabak Service Station, Raipur	25,000.00	25,000.00
SD with Mangesh Maruti Patekar, Alibagh	30,000.00	-
SD with MSEB, Nagpur	13,000.00	13,000.00
SD with Raipur Gases Ltd., Raipur	140,000.00	140,000.00
SD with Sales Tax, Nagpur	5,500.00	5,500.00
Staff Advance	161,226.00	154,229.00
Staff Advance	1,187,247.00	1,199,837.00
Surat Goods Transport Pvt. Ltd.	23,043.00	-
Value Added Tax	392,496.74	55,500.00
Value Added Tax	-9,937.05	4,847.50
Others	-	166,783.00
<b>Sub Total</b>	<b>28,905,119.45</b>	<b>18,380,584.36</b>
<b>Less: (a) Security Deposit from Customers</b>	2,865,703.00	3,159,777.00
(b) Lost Cylinders Deposits	157,042.00	157,042.00
<b>Total</b>	<b>25,882,374.45</b>	<b>15,063,765.36</b>



## SARTHAK METALS MARKETING PRIVATE LIMITED

Notes forming part of the financial statements

### Note 15 - Revenue from Operations:

Sl. No.	Particulars	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
(a)	Sale of products (Refer Note (i) below)	1,451,576,474.05	1,713,450,458.52
	Less : Value Added Tax	15,790,363.55	21,733,043.36
	Less : Central Sales Tax	16,864,776.00	21,327,318.00
	Less : Excise Duty	145,479,680.00	165,798,449.00
		1,273,441,654.50	1,504,591,648.16
(b)	Other operating revenues (Refer Note (ii) below)	4,256,289.42	4,639,216.79
	<b>Total (a+b)</b>	<b>1,277,697,943.92</b>	<b>1,509,230,864.95</b>

Note	Particulars	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
(i)	Sale of products comprises:		
	<u>Manufactured goods</u>		
	Sales	1,193,367,001.50	1,351,226,783.50
	Sales (Consignment)	8,344,091.00	17,605,980.00
	Sales (Export) (FOB Value)	57,199,953.00	132,977,369.66
	Sales (Wire Feeder machine)	339,551.00	909,975.00
	<b>Total - Sale of manufactured goods</b>	<b>1,259,250,596.50</b>	<b>1,502,720,108.16</b>
	<u>Traded goods</u>		
	Sales Trading	12,158,565.00	1,623,710.00
	<b>Total - Sale of traded goods</b>	<b>12,158,565.00</b>	<b>1,623,710.00</b>
	<u>Sale of services</u>		
	Service charges received	835,677.00	247,830.00
	Quality Incentives	1,196,816.00	-
	<b>Total - Sale of Services</b>	<b>2,032,493.00</b>	<b>247,830.00</b>
	<b>Total - Sale of products</b>	<b>1,273,441,654.50</b>	<b>1,504,591,648.16</b>
(ii)	Other operating revenues comprises:		
	Cylinder Charges (Maintenance & handling Charges,Rent)	557,812.42	571,425.79
	Sales ( Scrap )	2,146,131.00	2,504,451.00
	Sales ( Empty Drum )	1,536,346.00	1,514,340.00
	Cylinder Lost	16,000.00	49,000.00
	<b>Total - Other operating revenues</b>	<b>4,256,289.42</b>	<b>4,639,216.79</b>

### Note 16 - Other Incomes:

Sl. No.	Particulars	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
(i)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below)	9,441,898.69	5,704,548.16
	<b>Total</b>	<b>9,441,898.69</b>	<b>5,704,548.16</b>





**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 16 - Other Incomes (contd.):**

Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
(a)	DIC Interest Subsidy	1,979,619.00	364,329.00
(b)	Duty Drawback received	505,603.00	154,279.00
(c)	Interest Income	1,068,816.00	1,242,821.00
(d)	Transport Delivery & Collection Charges	3,886,492.83	3,078,207.90
(e)	Profit on foreign currency transactions (Net)		
	Realised	2,076,639.00	-
	Unrealised	-75,271.14	-
(f)	Others	-	864,911.26
	<b>Total</b>	<b>9,441,898.69</b>	<b>5,704,548.16</b>

**Note 17.a - Cost of Materials Consumed:**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening stock	97,410,367.11	83,532,697.49
Add: Purchases & Expenses (*)	1,095,297,555.17	1,354,009,730.23
	1,192,707,922.28	1,437,542,427.72
Less: Closing stock	89,134,072.75	97,410,367.11
<b>NET</b>	<b>1,103,573,849.53</b>	<b>1,340,132,060.61</b>
<i>Material consumed comprises :</i>		
Raw materials	1,082,206,945.36	1,316,648,406.38
Consumable packing goods	19,392,911.17	20,599,841.23
Consumable spares & stores	1,973,993.00	2,883,813.00
<b>Total</b>	<b>1,103,573,849.53</b>	<b>1,340,132,060.61</b>
(*) Includes value of Import on C.I.F. Basis	334,654,545.00	476,552,434.00

**Note 17.b - Purchase of Traded Goods:**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Purchase (Oxygen & CO2)	665,954.00	812,089.00
<b>Total</b>	<b>665,954.00</b>	<b>812,089.00</b>

**Note 17.c - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade:**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<i>Inventories at the end of the year:</i>		
Finished goods	17,841,869.60	10,327,737.32
Stock-in-trade	-	-
	17,841,869.60	10,327,737.32
<i>Inventories at the beginning of the year:</i>		
Finished goods	10,327,737.32	17,836,046.69
Stock-in-trade	-	3,684,693.84
	10,327,737.32	21,520,740.53
<b>Net (increase) / decrease</b>	<b>7,514,132.28</b>	<b>-11,193,003.21</b>



**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 18 - Employee Benefits Expenses:**

Particulars	For the year ended	For the year
	31 March, 2016	ended 31 March, 2015
Bonus	2,554,660.00	1,974,930.00
Contribution to Provident Fund & ESIC	901,515.00	672,713.00
Director's Remuneration	10,800,000.00	10,800,000.00
Leave salary	521,776.00	405,224.00
Salaries and wages	22,917,379.00	19,651,971.00
Staff/Labour Welfare	391,695.00	453,049.00
Gratuity	257,083.00	500,000.00
<b>Total</b>	<b>38,344,108.00</b>	<b>34,457,887.00</b>

**Note 19 - Finance Costs:**

Particulars	For the year ended	For the year
	31 March, 2016	ended 31 March, 2015
<i>Interest Expense on:</i>		
<b>(i) Borrowings</b>		
(a) Interest to Banks	24,510,110.42	24,622,056.10
(b) Interest & Finance Charges on Vehicles	469,130.00	644,111.79
(c) Commission on LC/Buyers Credit	2,549,653.00	346,666.00
<b>Sub-Total (i)</b>	<b>27,528,893.42</b>	<b>25,612,833.89</b>
<b>(ii) Others</b>		
Interest on Unsecured Loans	287,368.00	336,458.00
<b>Total (i+ii)</b>	<b>27,816,261.42</b>	<b>25,949,291.89</b>



**SARTHAK METALS MARKETING PRIVATE LIMITED**

Notes forming part of the financial statements

**Note 20 - Other Expenses:**

Particulars	For the year ended	For the year
	31 March, 2016	ended 31 March, 2015
Audit fees	143,750.00	140,450.00
Bank /Processing Charges/commission	4,533,316.71	3,180,052.60
Business Promotion	166,961.00	146,599.00
Commission	2,264,643.00	1,582,187.00
Computer Expenses	157,346.00	398,758.00
Consignment Expenses	877,712.00	-
Consultancy / Professional Charges	2,250,676.00	480,000.00
Electricity Charges	10,850,452.00	9,692,194.00
Entry Tax	52,591.00	150,268.00
Excise Duty/ Service Tax	-34,057.00	-
Insurance Expenses	1,506,607.00	1,835,573.00
Legal Expenses	232,711.00	362,831.00
Loss on buyers credit adjustments	1,049,432.00	-
Loss on Dollars Hedging	1,348,355.00	-
Membership/Subsription Fee	99,179.00	121,849.40
Miscellaneous expenses	404,260.67	1,226,097.18
Office & General Expenses	981,947.00	603,788.00
Oil & Lubricant Expenses	390,820.44	269,819.00
Printing, Stationery & Postage Expenses	456,171.50	457,602.00
Rate & Qty. Diff.	403,068.79	1,019,951.37
Repairs & Maintenance	2,327,243.00	4,657,318.00
Security Expenses	870,216.00	501,551.00
Service Charges	1,146,388.00	524,829.00
Telephone Expenses	479,468.50	405,437.74
Testing Charges	562,295.00	-
Transportation Charges (Outward)	16,472,510.00	16,715,318.32
Travelling & Conveyance Expenses	1,705,281.00	3,536,453.00
VAT Expenses	14,770.00	4,282.00
Advance w/off	6,640,000.00	-
Vehicle Maintenance & Fuel Expenses	1,151,785.00	938,855.00
Others	-	755.00
<b>Total</b>	<b>59,505,899.61</b>	<b>48,952,818.61</b>

