

# **ANNUAL REPORT 2015-16**

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***SAGARDEEP ALLOYS LIMITED***

***(CIN: L29253GJ2007PLC050007)***

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**\*COMPANY INFORMATION\***

**Board of Directors**

Mr. Satishkumar A Mehta	Chairman & Managing Director
Mr. Jayeshkumar A Mehta	Whole Time Director
Mr. Asamal S Mehta	Whole Time Director
Mr. Harish A Mehta	Whole Time Director
Mr. Nileshkumar D Patel	Non-Executive Independent Director (w.e.f. 28.08.2015)
Mr. Hemang M Panchal	Non-Executive Independent Director (w.e.f. 28.08.2015)
Mr. Hemendra B Patel	Non-Executive Independent Director (w.e.f. 28.08.2015)
Mr. Vinita P Maheshwari	Non-Executive Independent Director (w.e.f. 28.08.2015)

**Chief Financial Officer**

Mr. Bhavik R Somani

**Company Secretary & Compliance Officer**

Mr. Dileep Panchal

**Registered Office**

205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad-380001, Phone: 079- 25626304, 25626335

**E- Mail & Website**

secretary@sdalloys.com, investors@sdalloys.com  
www.sdalloys.com

**Statutory Auditors**

M/s. Piyush J Shah & Co  
504-B, Shikhar Complex, Nr. Vadilal House, Mithakali Six Roads Navrangpura, Ahmedabad-380009

**Banker**

Bank of Baroda

**Registrar & share Transfer Agent**

Link Intime India Private Ltd  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai, 400078

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## NOTICE

**NOTICE** is hereby given that the 9<sup>th</sup> (Ninth) Annual General Meeting of the Shareholders of SAGARDEEP ALLOYS LIMITED will be held on 30<sup>th</sup> September, 2016 at the registered office 205, Pittalaya Bumba, Nr. Madhuram Cinema, Ghee Kanta, Ahmedabad-380001, Gujarat at 11.00 am to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt
  - a) the audited Standalone Financial Statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon; and
  - b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2016 and the reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Jayeshkumar A Mehta (DIN: 02156140) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from conclusion of 9<sup>th</sup> AGM until the conclusion of the 14<sup>th</sup> AGM and to fix their remuneration.

**“RESOLVED THAT** pursuant to the provisions of section 139 and 142 of the Companies Act, 2013 and the rules made there under, M/s Piyush J Shah & Co., Chartered Accountants, Ahmedabad (FRN 121172W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 9<sup>th</sup> Annual General Meeting (AGM) till the Conclusion of 14<sup>th</sup> Annual General Meeting of the Company to be held in the year 2021(subject to ratification of the appointment by members at every AGM) on such remuneration as may be determined by the Board of Directors of the Company on a year to year basis.”

### **SPECIAL BUSINESS**

**4. To re-appoint Mr. Satishkumar A. Mehta (Din: 01958984) as a Chairman & Managing Director for the period of Five (5) year w.e.f. 30<sup>th</sup> December, 2016.**

To consider and, if thought fit, to give your assent/dissent to pass the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the recommendation of Nomination and remuneration committee and in accordance with the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act 2013, and Articles of Associations of the Company, the consent of the members of the Company be and is hereby accorded to re-appoint Mr. Satishkumar A Mehta, as Chairman & Managing Director of the Company for a period of five (5) years with effect from December 30, 2016 to December 30, 2021, on the terms and conditions as set out in the draft Agreement submitted to this meeting with absolute discretion to the Board (hereinafter referred to as “the Board” which term shall be deemed to include “Nomination and remuneration committee” and any other Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed upon between Board and Mr. Satishkumar A Mehta.

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Satishkumar A Mehta, remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule V to the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**5. To re-appoint Mr. Jayeshkumar A. Mehta (Din: 02156140) as a Whole-Time Director for the period of Five (5) year w.e.f. 30<sup>th</sup> December, 2016**

To consider and, if thought fit, to give your assent/dissent to pass the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act 2013, and Articles of Associations of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Jayeshkumar A Mehta, as a Whole Time Director of the Company for a period of five (5) years with effect from December 30, 2016 to December 30, 2021, and who shall be liable to retire by rotation, on the terms and conditions as set out in the draft Agreement submitted to this meeting with absolute discretion to the Board (hereinafter referred to as “the Board” which term shall be deemed to include “Remuneration Committee” and any other Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed upon between Board and Mr. Jayeshkumar A Mehta.

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Jayeshkumar A Mehta, remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule V to the Companies Act, 2013;

**“RESOLVED FURTHER THAT** the Board of Director and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**6. To re-appoint Mr. Asamal S. Mehta (Din: 01900671) as a Whole-Time Director for the period of Two (2) year w.e.f. 30<sup>th</sup> December, 2016**

To consider and, if thought fit, to give your assent/dissent to pass the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the recommendation of Nomination and remuneration committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act 2013, and Articles of Associations of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Asamal S Mehta as a Whole Time Director of the Company for a period of 2 (Two) years with effect from December 30, 2016 to December 30, 2018, and who shall be liable to retire by rotation, on the terms and conditions as set out in the draft Agreement submitted to this meeting with absolute discretion to the Board (hereinafter referred to as “the Board” which term shall be deemed to include “Remuneration Committee” and any other Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed upon between Board and Mr. Asamal S Mehta.

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Asamal S Mehta, remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule V to the Companies Act, 2013;

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**7. To re-appoint Mr. Harishkumar A. Mehta (Din: 02156161) as a Whole-Time Director for the period of Five (5) year w.e.f. 30<sup>th</sup> December, 2016**

To consider and, if thought fit, to give your assent/dissent to pass the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the recommendation of Nomination and remuneration committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act 2013, and Articles of Associations of the Company, approval of the members of the Company be and is hereby accorded to re-appoint Mr. Harish A Mehta, as a Whole Time Director of the Company for a period of five (5) years with effect from December 30, 2016 to December 30, 2021, , and who shall be liable to retire by rotation, on the terms and conditions as set out in the draft Agreement submitted to this meeting with absolute discretion to the Board (hereinafter referred to as “the Board” which term shall be deemed to include “Remuneration Committee” and any other Committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and vary the terms and conditions of the said agreement as may be agreed upon between Board and Mr. Harish A Mehta.

**“RESOLVED FURTHER THAT** where in any financial year Company has no profits or its profits are inadequate, the Company shall pay to Mr. Harish A Mehta, remuneration by way of Salary, perquisites and allowances not exceeding the ceiling limit specified in Schedule V to the Companies Act, 2013;

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

**8. Ratification of Remuneration of Cost Auditor of the Company and to consider and pass with or without modification, the following resolution as an ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re enactment thereof, for the time being in force, M/s Soni & Associates, Cost Accountants, Ahmedabad, the Cost Auditor appointed by the Board of Directors, to conduct the audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March, 2017 be paid the remuneration of Rs.30,000/- plus applicable service tax and out of pocket expenses incurred by them during the course of Audit.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps and actions as may be necessary for implementing the above resolution.”

Regd Office:  
SAGARDEEP ALLOYS LIMITED  
(CIN: L29253GJ2007PLC050007)  
205, PITTALAYA BUMBA,  
NR MADHURAM CINEMA, GHEE KANTA,  
AHMEDABAD-01, GUJARAT

*By Order of the Board of Directors*

Satishkumar A Mehta  
Chairman & Managing Director  
DIN: 01958984

Date: 13/08/2016  
Place: Ahmedabad

**Notes:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote on a poll instead of himself / herself and such proxy / proxies need not be a member of the company. Duly completed instrument of proxies in order to be effective must be reached the registered office of the Company not less than 48 hours before the scheduled time of the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company, provided a member holding more 10%, of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.

2. The statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the business to be transacted at the meeting, is annexed hereto.

3. Electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same. Members may also note that the Notice of Annual General Meeting and Annual Report for 2015-16 will also be available on the Company's website [www.sdalloys.com](http://www.sdalloys.com).

4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorizations, authorizing them to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).

6. Members/ Proxies are requested to bring their attendance slip duly filled in long with copies of their annual report.

7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / chairmanships/ chairmanships of Board Committees as stipulated under Listing Obligation and Disclosure Regulations 2015 are provided in the annexure to the notice calling Annual General Meeting.

7. Members who hold the shares in the dematerialized form are requested to notify any change of address or bank mandates to their Depositories Participants with whom they are maintaining their demat accounts.

8. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company/ Registrar of any change in the address or demise of any member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holding should be obtained from concerned Depository Participant and holdings should be verified.

9. The Company is having agreements with NSDL and CDSL to enable Members to have the option of dealing and holding the shares of the Company in electronic form. The ISIN of the equity shares of the Company is **INE976T01013**.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their accounts.

11. As per Notification issued by Ministry of Corporate Affairs dated 19<sup>th</sup> of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on NSE Emerge- the SME platform of National Stock Exchange of India Limited. Therefore Company is not providing e-voting facility to its shareholders.

12. Members are requested to address all correspondence, including change in their addresses, to the Company or to the Registrar and Share Transfer Agent, M/s. Link Intime (India) Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078, E-mail: sal.ipo@linkintime.co.in; Website www.linkintime.co.in. Members whose shareholding is in electronic mode are requested to approach their respective depository participants for effecting change of address.

12. The Shareholders are requested to update the Contact address and e-mail address and are requested to notify immediately any change in their address, exclusively on separate letter without clubbing it with any other request, for quicker attention directly to the Company's Share Transfer Agent.

13. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.

14. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.

15. Notice of this Annual General Meeting, Audited Financial Statements for 2015-16 along with Directors' Report and Auditors' Report are available on the website of the Company -www.sdalloys.com.

16. As per Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them. Shareholders desirous of making nomination are requested to send their request in Form No: SH-13 (which will be made available on request) to the Company or Registrar and Share Transfer Agent.

17. As a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditors' Report, Directors' Report etc. to the members through e-mail. The shareholders holding shares in physical form are requested to register their email address with the Registrar & Share Transfer Agent by sending duly signed request letter quoting their Folio no. name and address. In case of shares held in demat form; the shareholders may register their e-mail addresses with their DPs (Depository Participants).

22. Pursuant to the prohibition imposed vide Section 118 of the Companies Act, 2013 read with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, no gifts/coupons shall be distributed at the Meeting.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 4**

On the basis of recommendation of Nomination & Remuneration Committee of the Company and, subject to the approval of members of the Company, the Board of Directors in their meeting held on 13<sup>th</sup> August, 2016 has approved re-appointment of Mr. Satishkumar A Mehta as a Chairman & Managing Director of the Company for a period of 5 years w.e.f. from Dec 30, 2016.

Mr. Satishkumar A Mehta is associated with the Company since its incorporation in 2007 and has experience of more than 15 years in metal & metal alloys industry. The major terms and conditions of his appointment as reviewed by the Nomination & Remuneration Committee are as under:

- 1. Period:** For a period of 5 years from December 30, 2016.
- 2. Salary:** Rs.75,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- 3. Perquisites and Allowances:**
  - Medical Reimbursement for self and family in accordance with the rules of the Company.
  - Leave Travel Assistance for self and family in accordance with the rules of the Company.
  - Leave on full pay as per rules of the Company subject to maximum of one month's leave for every eleven months of service.
  - Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income Tax Rules, 1962.
  - Free cell phone facility.
- 4. Duties:** Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- 5. Minimum remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Satishkumar A Mehta, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration

In view of the above position, approval of members is sought, through Ordinary Resolution, to formally appoint Mr. Satishkumar A Mehta as a Chairman & Managing Director of the Company.

Mr. Satishkumar A Mehta and his relatives (including Mr. Jayeshkumar A Mehta, Harish A Mehta & Mr. Asamal S Mehta Whole Time Directors) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

### **Item No. 5**

On the basis of recommendation of Nomination & Remuneration Committee of the Company and, subject to the approval of members of the Company, the Board of Directors in their meeting held on 13<sup>th</sup> August, 2016 has approved re-appointment of Mr. Jayeshkumar A Mehta as a Whole Time Director of the Company for a period of 5 years w.e.f. from Dec 30, 2016, who shall be liable to retire by rotation.



Mr. Jayeshkumar A Mehta is associated with the Company since 2008 and has experience of more than 10 years in metal & metal alloys industry. The major terms and conditions of his appointment as reviewed by the Nomination & Remuneration Committee are as under:

- 1. Period:** For a period of 5 years from December 30, 2016.
- 2. Salary:** Rs.75,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- 3. Perquisites and Allowances:**
  - Medical Reimbursement for self and family in accordance with the rules of the Company.
  - Leave Travel Assistance for self and family in accordance with the rules of the Company.
  - Leave on full pay as per rules of the Company subject to maximum of one month's leave for every eleven months of service.
  - Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income Tax Rules, 1962.
  - Free cell phone facility.
- 4. Duties:** Subject to the Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Whole Time Director shall be entrusted with overall supervision of sales and marketing and also such other duties and responsibilities as may be entrusted to him by the Chairman and Managing Director and Board of Directors from time to time.
- 5. Minimum remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Jayeshkumar A Mehta, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration

In view of the above position, approval of members is sought, through Ordinary Resolution, to formally appoint Mr. Jayeshkumar A Mehta as a Whole Time Director of the Company.

Mr. Jayeshkumar A Mehta and his relatives (including Mr. Satishkumar A Mehta, Harish A Mehta & Mr. Asamal S Mehta) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

#### **Item No. 6**

On the basis of recommendation of Nomination & Remuneration Committee of the Company and, subject to the approval of members of the Company, the Board of Directors in their meeting held on 13<sup>th</sup> August, 2016 has approved re-appointment of Mr. Asamal S Mehta as a Whole Time Director of the Company for a period of 2 years w.e.f. from Dec 30, 2016, who shall be liable to retire by rotation.

Mr. Asamal S Mehta is associated with the Company since its inception and has experience of more than 20 years in metal & metal alloys industry. The major terms and conditions of his appointment as reviewed by the Nomination & Remuneration Committee are as under:

- 1. Period:** For a period of 2 years from December 30, 2016.
- 2. Salary:** Rs.75,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- 3. Perquisites and Allowances:**
  - Medical Reimbursement for self and family in accordance with the rules of the Company.

- Leave Travel Assistance for self and family in accordance with the rules of the Company.
  - Leave on full pay as per rules of the Company subject to maximum of one month's leave for every eleven months of service.
  - Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income Tax Rules, 1962.
  - Free cell phone facility.
- 4. Duties:** Subject to the Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Whole Time Director shall be entrusted with overall supervision of production and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- 5. Minimum remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Asamal S Mehta, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration

In view of the above position, approval of members is sought, through Ordinary Resolution, to formally appoint Mr. Asamal S Mehta as a Whole Time Director of the Company.

Mr. Asamal S Mehta and his relatives (including Mr. Satishkumar A Mehta, Harish A Mehta & Mr. Jayeshkumar A Mehta) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

#### Item No. 7

On the basis of recommendation of Nomination & Remuneration Committee of the Company and, subject to the approval of members of the Company, the Board of Directors in their meeting held on 13<sup>th</sup> August, 2016 has approved re-appointment of Mr. Harish A Mehta as a Whole Time Director of the Company for a period of 5 years w.e.f. from Dec 30, 2016, who shall be liable to retire by rotation.

Mr. Harish A Mehta is associated with the Company since 2008 and has experience of more than 10 years in metal & metal alloys industry. The major terms and conditions of his appointment as reviewed by the Nomination & Remuneration Committee are as under:

- 1. Period:** For a period of 5 years from December 30, 2016.
- 2. Salary:** Rs.75,000/- per month which is eligible for revision on a date to be determined by the Nomination and Remuneration Committee.
- 3. Perquisites and Allowances:**
  - Medical Reimbursement for self and family in accordance with the rules of the Company.
  - Leave Travel Assistance for self and family in accordance with the rules of the Company.
  - Leave on full pay as per rules of the Company subject to maximum of one month's leave for every eleven months of service.
  - Free use of Company's Car including maintenance and operation together with driver, the monetary value of which may be evaluated as per Income Tax Rules, 1962.
  - Free cell phone facility.
- 4. Duties:** Subject to the Subject to the superintendence, direction, and control of the Board of Directors of the Company, the Whole Time Director shall be entrusted with overall supervision of export, import and international market and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

- 5. Minimum remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Harish A Mehta, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration

In view of the above position, approval of members is sought, through Ordinary Resolution, to formally appoint Mr. Harish A Mehta as a Whole Time Director of the Company.

Mr. Harish A Mehta and his relatives (including Mr. Satishkumar A Mehta, Mr. Asamal S Mehta & Mr. Jayeshkumar A Mehta) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

**Item No. 8**

The Board at its meeting held on 13/08/2016 on the recommendation of Audit Committee, has appointed M/s Soni & Associates, Cost Accountant, Ahmedabad as the Cost Auditor to conduct the audit of cost records of the Company for the financial year 2016-17 on a remuneration of Rs.30,000/- (excluding Service Tax) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid resolution.

Regd Office:  
**SAGARDEEP ALLOYS LIMITED**  
(CIN: L29253GJ2007PLC050007)  
205, PITTALAYA BUMBA,  
NR MADHURAM CINEMA, GHEE KANTA,  
AHMEDABAD-01, GUJARAT

***By Order of the Board of Directors***

*Satishkumar A Mehta*  
*Chairman & Managing Director*  
*DIN: 01958984*

Date: 13/08/2016  
Place: Ahmedabad

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 9<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of Director</b>	<b>Satishkumar A Mehta</b>	<b>Jayeshkumar A Mehta</b>	<b>Asamal S Mehta</b>	<b>Harish A Mehta</b>
<b>DIN</b>	01958984	02156140	01900671	02156161
<b>Date of Birth</b>	18/03/1977	03/08/1979	01/07/1949	08/08/1983
<b>Date of Appointment</b>	13/02/2007	05/05/2008	13/02/2007	05/05/2008
<b>Relationship Between Directors <i>inter se</i></b>	Son of Asamal S Mehta; Brother of Jayeshkumar A Mehta & Harish A Mehta	Son of Asamal S Mehta; Brother of Satishkumar A Mehta & Harish A Mehta	Father of Satishkumar A Mehta, Jayeshkumar A Mehta & Harish A Mehta	Son of Asamal S Mehta; Brother of Satishkumar A Mehta & Jayeshkumar A Mehta
<b>Expertise in Specific functional area</b>	Administrative, Accounts & Finance	Sales & Marketing	Production	Sales & Marketing and Export & Import
<b>Qualification</b>	B.Com	HSC	SSC	B.Com
<b>Other Board Membership*</b>	-	-	-	-
<b>Committee Membership in other public companies</b>	-	-	-	-
<b>Number of Shares held in the Company</b>	15,78,550 Equity Shares	17,51,500 Equity Shares	14,66,950 Equity Shares	1,28,000 Equity Shares

*\*Pvt. Companies excluded*

## DIRECTORS' REPORT

Dear Member,

Your Directors take pleasure in presenting the 9<sup>th</sup> Annual Report along with Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2016.

### Financial Results

During the year under review, your Company has achieved a total net sale of Rs. 127.29 Crores. During the year the Company has achieved Net Profit after Tax (NP) of Rs.39,75,865/-. Your Directors are hopeful about the performance to be improved of the Company in the coming years. The following table shows the operational results of the Company for the year 2015-16 as compared to that of the previous year.

<b>Particulars for the year ended</b>	(Standalone) (Amount in ₹)	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Net revenue from Operations	127,29,36,937	132,45,29,815
Profit Before Depreciation and Tax	1,25,42,305	1,20,42,279
Less: Depreciation	41,26,672	36,16,142
Profit Before Tax	84,15,633	84,26,137
Less: Provision for Taxation (including deferred tax)	44,39,768	11,27,186
Profit After Tax	39,75,865	72,98,951
EPS (Basic)	0.47	0.87
EPS (Diluted)	0.47	0.87

### Dividend

Your Director feel that it is prudent to plough back the profits of the Company for future growth of the Company and therefore do not recommend any dividend for the year ended March 31, 2016.

### Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

### Reserves

During the year under review, the Company has not transferred any amount to reserve.

### Subsidiary, Joint Ventures and Associate Companies

The Company has one wholly owned Indian Subsidiary company i.e. Sagardeep Engineers Private Limited.

### Consolidated Financial Statement

The Financial Statement of the Company for the Financial year 2015-16 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI Regulation). The Consolidated Financial Statement has been prepared on the basis of the audited financial statement of the Company as approved by their respective Board of Directors. Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and Auditors report thereon form part of this Annual Report. The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link [www.sdalloys.com](http://www.sdalloys.com)

### **Public Deposit**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

### **Particulars of loan, Guarantees or Investment made under Section 186**

Details of loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note no. 31 & 30 of the Standalone financial statements and consolidated financial statements of the Company respectively.

### **Directors & Key Management Personnel**

#### *I. Composition of Board & Board Meetings*

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on 31st March, 2016, the Board comprises of 8(Eight) Directors, out of which 4 are Executive Directors and 4 are non-executive Independent Directors that includes one Woman Director. The Chairman of the Board is an executive Director.

The Board of Directors duly met 12 times on 01/04/2015, 08/05/2015, 16/05/2015, 06/08/2015, 15/09/2015, 26/10/2015, 17/11/2015, 21/12/2015, 30/12/2015, 05/02/2016, 26/02/2016 & 30/03/2016 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies is as follows:-

<b>Name of Director</b>	<b>Designation</b>	<b>Category</b>	<b>No of Board Meetings held during the year *</b>	<b>No of Board Meetings attended during the year</b>	<b>Attendance at the AGM</b>
Mr.Satishkumar A Mehta	Chairman & Managing Director	Promoter	12	12	Yes
Mr.Jayeshkumar A Mehta	Whole Time Director	Promoter	12	12	Yes
Mr. Asamal S Mehta	Whole Time Director	Promoter	12	12	Yes
Mr. Harish A Mehta	Whole Time Director	Promoter	12	07	Yes
#Mr. Hemang M Panchal	Non-Executive Director	Independent	08	01	No
#Mr. Hemendra B Patel	Non-Executive Director	Independent	08	06	Yes
#Mr. Nileshkumar D Patel	Non-Executive Director	Independent	08	05	Yes
#Mrs. Vinita P Maheshwari	Non-Executive Director	Independent	08	07	Yes

\*from the date of appointment

# appointed w.e.f. 28/08/2015

#### *II. Retirement by Rotation*

In accordance with the provisions of the Companies Act 2013 and Companies Articles of Association, Mr. Jayeshkumar A Mehta (DIN-02156140) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholder for approval.

#### *III. Profile of Directors seeking appointment / reappointment*

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 9<sup>th</sup> Annual General Meeting.

#### IV. Key Managerial Personnel

The following persons are the Key Managerial Personnel(s) of the Company:

- a. Mr. Satishkumar A Mehta, Chairman & Managing Director
- b. Mr. Jayeshkumar A Mehta, Whole Time Director
- c. Mr. Asamal S Mehta, Whole Time Director
- d. Mr. Harish A Mehta, Whole Time Director
- e. Mr. Bhavik R Somani, Chief Financial Officer
- f. Mr. Dileep Panchal, Company Secretary

Further, the 5 year term of Mr. Satishkumar A Mehta, Managing Director, Mr. Jayeshkumar A Mehta, Mr. Asamal S Mehta, Mr. Jayeshkumar A Mehta, Whole Time Directors of the Company expires on December 31, 2016. The Board recommends their appointment for a further period of 5 years and the resolutions seeking member's approval forms part of the notice convening the AGM.

Mr. Jayeshkumar A Mehta, Mr. Asamal S Mehta and Mr. Jayeshkumar A Mehta are the Directors, who are liable to retire by rotation.

#### V. Declaration from Independent Director

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and in the opinion of the Board, the Independent Directors meet the said criteria.

#### VI. Familiarization Program for Independent Directors

As the Company was not listed during the F.Y. 2015-16, it has not conducted any specific program called 'Familiarization Program for Independent Directors' during the F.Y. 2015-16.

#### Audit Committee

The Audit Committee is duly constituted on 15/09/2015 in accordance with the Listing Agreement read with SEBI (LODR) Regulations 2015 and of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015. The Members of the Committee are:-

Name	Category	Position
Mr. Nileshkumar D Patel	Non Executive Independent Director	Chairman
Mr. Hemendra B Patel	Non Executive Independent Director	Member
Mr. Harish A Mehta	Executive Director	Member

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Four Audit Committee meetings were held during the year 2015-16 at the Registered Office of the Company on 15/09/2015, 26/10/2015, 30/12/2015 and 05/02/2016. All the meetings were attended by the Chairman and all the members of the Committee, representatives of Internal and Statutory Auditors and Chief Financial Officer. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the Audit Committee.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is constituted on 15/09/2015 in compliance with the requirements of Listing Agreement read with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name	Category	Position
Mr. Nileshkumar D Patel	Non Executive Independent Director	Chairman
Mr. Vinita P Maheshwari	Non Executive Independent Director	Member
Mr. Hemendra B Patel	Non Executive Independent Director	Member

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is furnished in Annexure -B and is attached to this report.

### **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was constituted on 15/09/2015 in compliance with the requirements of the Listing Agreement and Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name	Category	Position
Mr. Vinita P Maheshwari	Non Executive Independent Director	Chairman
Mr. Hemang M Panchal	Non Executive Independent Director	Member
Mr. Satishkumar A Mehta	Chairman & Managing Director	Member

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

### **Compliance Officer**

The Compliance officer of the Company is Mr. Dileep Panchal, who is also designated as Company Secretary of the Company.

### **Performance Evaluation**

Pursuant to the provisions of Section 134 of the Companies Act, 2013 every listed company or such other public company having such paid-up share capital as may be prescribed, shall attach a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual director.

As the Company was not listed during the F.Y. 2015-16, nor does it have such paid up capital as prescribed, the Board has not conducted its performance evaluation and its committees during the F.Y. 2015-16.

### **Change in the nature of business, if any-**

During the year, there is no change in the nature of business of the Company.

During the year under review, your Company has closed its chemical manufacturing plant due to some unavoidable circumstances and conditions.



**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report..

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

**Details of Subsidiary/Joint Ventures/Associate Companies**

Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statements of the Company's subsidiaries is attached to the financial statements.

Further, the Company had remitted Rs. 2,719,748/- on December 28, 2015 for subscribing share capital in Sagardeep General Trading FZE in Dubai which on allotment of shares would have made it a wholly owned subsidiary of the Company. However, the funds have been remitted back to the Company on February 3, 2016 without shares being allotted to the company and therefore as on date, Sagardeep General Trading FZE is not a subsidiary of the Company.

**Auditors**

**1. Statutory Auditors**

At the Extra Ordinary General Meeting held on November 02, 2015, M/s. Piyush J Shah & Co., Chartered Accountant, Ahmedabad were appointed as Statutory Auditors of the Company to fill the casual vacancy due to resignation of M/s, Pushpendra Gupta & Associates, Chartered Accountants, Ahmedabad and to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2016. The Board of Directors of the Company has recommended their appointment as statutory auditor of the Company for a period of 5 years i.e. from 9<sup>th</sup> AGM to 14<sup>th</sup> AGM of the Company to be held in the year 2021. Further, the appointment of the auditors shall be placed for ratification at every Annual General Meeting held thereafter.

The consent of M/s. Piyush J Shah & Co., Chartered Accountants along with the certificate under Section 139 of the Act has been obtained to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of the Auditors of the Company.

**2. Cost Auditors**

As per the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder and the Cost Audit orders issued from time to time, the Board of Directors in their meeting held on 06.08.2015 has appointed M/s. Soni & Associates, Cost Accountants (FRN 102850) as Cost Auditor of the Company for the financial year 2015-16. Further, the remuneration of the Cost Auditor was ratified by members of the Company in their annual general meeting held on 28.08.2015.

**Extract of the annual return**

The extract of the Annual Return in Form-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure A** and is attached to the report.

**Management's Discussion and Analysis Report**

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of the Listing Regulations is given as an annexure to this report

### **Corporate Governance**

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to the Listing agreement read with regulations 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of schedule V shall not apply to the Company as the Equity Share Capital & Net worth of the Company does not exceed prescribed limit of Rs.10 Crores and Rs. 25 Crores respectively as on 31<sup>st</sup> March, 2016.

Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

### **Personnel**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not provided in the Report as no remuneration is paid to any of the directors of the company nor any employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Corporate Social Responsibility (CSR)**

The present financial position of the company does not mandate the implementation of corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company.

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy:

a) Energy conservation measures taken by the Company

- (i) The Company has been taking continuous steps to conserve the energy and minimizing energy cost at all levels as per the past experiences.
- (ii) Monitoring the overall energy consumption by reducing losses and improving efficiency
- (iii) Maximum demand of electricity is being reduced and evenly distributing the loads throughout the day and increasing efficiency of plants and machines

b) Total energy consumption and energy consumption per unit as per Form A:

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Electricity Purchased		
Units (KWH)	1180272	1334437
Total Amount (Rs.)	9341246	9958469
Rate per unit (Rs.)	7.91	7.46
Own Generation-	Nil	Nil
Natural Gas		
Total Amount	3718931	5529167
Rate per SCM	35.98	50.58

(B) Disclosure with respect to Absorption and Research & Development

1.Specify the area in which R&D is carried out by the Company	Nil
2.Benefits derived as a result of the above R&D	Nil

3.Future Plan of Action	Nil
4.Expenditure on R&D	Nil

(C)Technology absorption, Adaption and Innovation

1. Efforts made in brief towards Technology Absorption, Adaption and Innovation	Continuous efforts
2. Benefits arrived as a result of above efforts	Quality Improvement
3. In case of imported technology (imported during the 5 years reckoned from the beginning of the financial year )	NIL

(D) Foreign exchange earnings and Outgo: (In USD)

Foreign Exchange Earning	\$ 18000.00
Foreign Exchange Outgo	\$ 171383.14

**Particulars of contracts or arrangements with related parties:**

The Company has no material significant transactions with its related parties which may have potential conflict with the interest of the Company at large.

**Listing**

Your Company made its landmark move by entering into the capital market on May 17, 2016. The shares of the Company have been listed on “NSE-EMERGE”, the SME platform of National Stock Exchange of India Limited, by way of public issue of 30,00,000 equity shares of the face value of Rs. 10.00 each for cash at a price of Rs. 20/- per equity share (share premium of Rs. 10/- each).

This Annual Report for the financial year 2015-16 has been prepared in accordance with the applicable disclosure requirements of the Companies Act, 2013. However, the provisions of the LODR, 2015 shall be applicable from the financial year 2016-17.

**Statement regarding the development and implementation of Risk Management Policy**

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

**Adequacy of Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company’s internal financial controls relating to its financial statements.

During the year, no reportable material weakness was observed.

**Directors’ Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period under review.

(c) 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.

(d) The directors have prepared the annual accounts on a going concern basis.

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) 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.

**Acknowledgement**

The Directors place on record their sincere thanks to the Bankers, Business associates, consultants, customers, and employees for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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

***Date: 13/08/2016***  
***Place: Ahmedabad***

***Satishkumar A Mehta***  
***Chairman & Managing Director***

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN OF SAGARDEEP ALLOYS LIMITED**

*As on financial year ended on 31.03.2016*

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014*

**I. REGISTRATION & OTHER DETAILS:**

<i>Sr No.</i>	<i>CIN</i>	<i>U29253GJ2007PLC050007</i>
1	Registration Date	13/02/2007
2	Name of the Company	Sagardeep Alloys Limited
3	Category/Sub-category of the Company	Company Limited by shares
4	Address of the Registered office & contact details	205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad-380001, Gujarat
5	Whether listed company	No
6	Name, Address & contact details of the Registrar & Transfer Agent, if any.	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai, 400078

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

<i>S. No.</i>	<i>Name and Description of main products / services</i>	<i>NIC Code of the Product/service</i>	<i>% to total turnover of the company</i>
1	Manufacture of Basic precious and Non ferrous- alloys	2720	32 %
2	Whole sale of Metals and Metal Ores	5142	68%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<i>Sr. No</i>	<i>Name &amp; Address of the Company</i>	<i>CIN</i>	<i>Holding/Subsidiary/ Associate</i>	<i>% of Shares held</i>	<i>Applicable Section under Companies Act, 2013</i>
1	Sagardeep Engineers Private Ltd	U29100GJ2011PTC063479	Wholly Owned Subsidiary	100	2(87) (ii)

**IV. SHARE HOLDING PATTERN**

<i>Category of Shareholder</i>	<i>No. of Shares held at the beginning of the year [As on 01-04-2015]</i>				<i>No. of Shares held at the end of the year [As on 31-March-2016]</i>				<i>% Change during the year</i>
	<i>Demat</i>	<i>Physical</i>	<i>Total</i>	<i>% of Total Share</i>	<i>Demat</i>	<i>Physical</i>	<i>Total</i>	<i>% of Total Shares</i>	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	7738100	7738100	92.43	7738100	-	7738100	92.43	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporation	-	633500	633500	7.57	633500		633500	7.57	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Total shareholding of Promoter (A)	-	8371600	8371600	100	8371600	-	8371600	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-

Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>8371600</b>	<b>8371600</b>	<b>100</b>	<b>8371600</b>	-	<b>8371600</b>	<b>100</b>	-

**B) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Asamal S Mehta	1466950	17.52	-	1466950	17.52	-	-
2	Harish A Mehta	128000	1.53	-	128000	1.53	-	-
3	Jayeshkumar A Mehta	1751500	20.92	-	1751500	20.92	-	-
4	Satishkumar A Mehta	1578550	18.36	-	1578550	18.86	-	-
5	Mehta Aashmalji Saremal Ji HUF	549000	6.56	-	549000	6.56	-	-
6	Jayesh Ashmalji Mehta HUF	207000	2.47	-	207000	2.47	-	-
7	Satish A Mehta HUF	219000	2.62	-	219000	2.62	-	-
8	Ramesh Asamal Mehta	102000	1.22	-	102000	1.22	-	-
9	Rekha Jayesh Mehta	287000	3.43	-	287000	3.43	-	-
10	Rinika Harish Mehta	79000	0.94	-	79000	0.94	-	-
11	Sangita Satishkumar Mehta	329500	3.94	-	329500	3.94	-	-
12	Ugamdevi A Mehta	1037600	12.39	-	1040600	12.43	-	.04
13	Sagardeep Engineers Pvt Ltd	633500	7.57	-	633500	7.57	-	-

**C) Change in Promoter's Shareholding (please specify, if there is no change)**

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mrs. Ugamdevi A Mehta				
	At the beginning of the year	1037600	12.39	1037600	12.39
	Transfer dated 15/09/2015	3000	00.04	00.04	00.04
	At the end of the year	1040600	12.43	1040600	12.43

D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NO					

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>DIRECTORS</b>				
1	Mr. Satishkumar Asamal Mehta, Chairman & Managing Director				
	At the beginning of the year	1578550	18.86	1578550	18.86
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1578550	18.86	1578550	18.86
2	Jayeshkumar A Mehta				
	At the beginning of the year	1751500	20.92	1751500	20.92
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1751500	20.92	1751500	20.92
3	Asamal S Mehta				
	At the beginning of the year	1466950	17.52	1466950	17.52
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1466950	17.52	1466950	17.52
4	Harish A Mehta				
	At the beginning of the year	128000	1.53	128000	1.53
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	128000	1.53	128000	1.53
5	Hemendra B Patel	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Hemang M Panchal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Nileshkumar D Patel	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Vinita P Maheshwari	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-



	At the end of the year	-	-	-	-
9	Bhavik R Somani	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Dileep Panchal	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

## V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1512.34	156.78	-	1669.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1512.34	156.78	-	1669.12
Change in Indebtedness during the financial year				
* Addition			-	-
* Reduction	164.32	156.78	-	321.10
Net Change	164.32	156.78	-	321.10
Indebtedness at the end of the financial year				
i) Principal Amount	1348.02	-	-	1348.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1348.02</b>	<b>-</b>	<b>-</b>	<b>1348.02</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Satish A Mehta (MD)	Asamal S Mehta (WTD)	Jayesh A Mehta (WTD)	Harish A Mehta (WTD)	
1	Gross salary	9,00,000/-	9,00,000/-	9,00,000/-	9,00,000/-	36,00,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-

4	Commission - as % of profit - others, specify...	-	-	-		
5	Others, please specify	-	-	-		
	Total (A)	9,00,000/-	9,00,000/-	9,00,000/-	9,00,000/-	36,00,000/-
	Ceiling as per the Act*					42 lacs

\* Due to inadequacy of Profit for the year 2015-16 & pursuant to Section 197 of the Companies Act, 2013 & Schedule V, the ceiling limit is being calculated amounting to Rs. 42 Lacs on the basis of effective capital given in the Part –II of Schedule V.

#### B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nileshkumar D Patel	Mr. Hemendra B Patel	Mr. Hemang M Panchal	Mrs. Vinita P Maheshwari	
1	Independent Directors	√	√	√	√	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting				

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

Sr No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	4,80,000	3,60,000	8,40,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify (Employer Contribution to PF)	21600	21600	-
	Total	5,01,600	3,81,600	8,83,200/-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

<i>Type</i>	<i>Section of the Companies Act</i>	<i>Brief Description</i>	<i>Details of Penalty /Punishment/ Compounding fees imposed</i>	<i>Authority [RD / NCLT/ COURT]</i>	<i>Appeal made, if any (give Details)</i>
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

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

*Date: 13/08/2016  
Place: Ahmedabad*

*Satishkumar A Mehta  
Chairman & Managing Director*

## **NOMINATION & REMUNERATION POLICY**

### **Introduction**

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company.

### **Objective and purpose of the policy**

The objectives and purpose of this policy are:

- To lay down criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”), evaluating the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity- based plans that are subject to board approval;
- The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.
- To formulate the criteria for evaluation of performance of all the Directors on the Board;
- To devise a policy on Board diversity; and
- To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

### **Constitution of the Nomination and Remuneration Committee**

The Board has constituted the “Nomination and Remuneration Committee” of the Board on September 15, 2015. This is in line with the requirements under the Companies Act, 2013 (“Act”).

The Board has authority to reconstitute this Committee from time to time.

### **Definitions**

- A. ‘Board’ means Board of Directors of the Company.
- B. ‘Directors’ means Directors of the Company.
- C. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.
- D. ‘Company’ means Sagardeep Alloys Limited.
- E. ‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- F. ‘Key Managerial Personnel (KMP)’ means-
  - the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
  - the Company Secretary; and
  - the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **General**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and  
Part – C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

#### **Part – A**

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee  
The following matters shall be dealt by the Committee:-

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- b. Identify persons who are qualified to become Director and persons who may be appointed as KMP and Senior Management positions in accordance with the criteria laid down in this policy.
- c. Recommended to the Board, appointment and removal of Director, KMP and Senior Management Personnel

#### **PART – B**

Policy for appointment and removal of Director, KMPs and Senior Management

##### *Appointment criteria and qualifications*

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/ her appointment.

A person to be appointed as Director, KMP or senior management level 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.

The Company shall not appoint or continue the employment of any person as Managing Director/Executive Director who has attained the age of seventy years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond Seventy years as the case may be.

A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

##### *Term / Tenure*

Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serve is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

**Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

**Retirement**

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position /remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

**PART – C**

Policy relating to the remuneration for Directors, KMPs and other employee

**General**

The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to KMPs and other employees**

The policy on remuneration for KMPs and other employees is as below:-

**Fixed pay**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. 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 on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**Minimum remuneration to Managing Director**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole Time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**Provision for excess remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non-Executive / Independent Directors****Remuneration/Commission**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

*Sitting Fees*

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

*Stock options*

The Independent Directors shall not be entitled to any stock option of the Company.

**Policy review**

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The size of Indian copper industry (consumption of refined copper per annum) is around half a million tones which constitutes only 3 percent of the world copper market. Sterlite Industries, Hindalco Industries and Hindustan Copper are major producers of refined copper in India. India has emerged as net exporter of copper from the status of net importer on account of rise in production. In fact, copper as a metal came in use of man much earlier than iron. Copper has been used for making utensils and coins since long. Being a good conductor of electricity and ductile, it is extensively used in a vast variety of electrical machinery, wires and cables. It is also an important metal used by automobile and defense industries. Further, it is alloyed with iron and nickel to make stainless steel, with nickel to make 'morel metal' and with aluminium to make 'duralumin'. When alloyed with zinc it is known as 'brass' and with tin 'bronze'. Copper ore is found in ancient as well as in younger rock formations and occurs as veins, as dissemination and as bedded deposits. Mining for copper is a costly and a tedious affair because most of the copper ores contain a small percentage of the metal. Against the international average of metal content (in the ore) of 2.5 per cent, Indian ore grade averages less than one per cent.

### **COMPETITION**

The industry in which we operate is highly competitive. Competition emerges from small as well as big players in the copper industry. The organized players in the industry compete with each other by providing high quality time bound products and value added services. We have a number of competitors offering services similar to us. With the growing markets, competition is bound to increase. The Company faces competition with other similar players located in the markets to which we cater. The Company is focusing on maintaining the quality of our final product to sustain the competition. The Company believes that we enjoy certain key competitive strengths which will help us to grow in future and will enable us to perform still better in the time to come.

### **GENERAL ECONOMIC AND BUSINESS CONDITIONS**

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect copper industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

(Amount In ₹)

Particulars for the year ended	2015-16	2014-15
Net revenue from Operations	127,29,36,937	132,45,29,815
Profit Before Depreciation and Tax	1,25,42,305	1,20,42,279
Less: Depreciation	41,26,672	36,16,142
Profit Before Tax	84,15,633	84,26,137
Less: Provision for Taxation (including deferred tax)	44,39,768	11,27,186
Profit After Tax	39,75,865	72,98,951
EPS (Basic)	0.47	0.87
EPS (Diluted)	0.47	0.87

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.



**CAUTIONARY STATEMENT**

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

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

*Date: 13/08/2016*  
*Place: Ahmedabad*

*Satishkumar A Mehta*  
*Chairman & Managing Director*

## **INDEPENDENT AUDITORS' REPORT**

**TO,  
THE MEMBERS OF  
SAGARDEEP ALLOYS LIMITED**

### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **SAGARDEEP ALLOYS LIMITED** (“the Company”), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2016**, the Profit and Loss Statement, the Cash Flow Statement for the Period ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone 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 there under.

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

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

## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year/period ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 the cash flow statement 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 Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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) With respect to the other matters included in the auditor’s report and to best of our information and according to the explanation given to us.
  1. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
  2. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  3. There has been no delay in transferring amounts, required to be transferred, to the investor’s education and protection fund by the company, if any.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 13<sup>th</sup> August, 2016**

## **Annexure to the Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone financial statements for the Period 01-04-2015 to 31-03-2016, we report that:

- i)
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii) The Inventories have been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records and the same has been properly dealt with in books of accounts.
- iii) The Company had not granted loan to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) Not Applicable
  - (b) Not Applicable
  - (c) Not Applicable
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 had been complied with.
- v) The company had not accepted any deposits from public, therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, is not applicable.
- vi) The Central Government had prescribed the maintenance of cost records under section 148(1) of the Act, for the goods supplied by the Company. In our opinion and according to the information and explanations given to us the company had maintained proper cost records.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to explanations given to us the following dues of sales tax have not been deposited by the company on account of dispute:

Name of Statute	Nature of Dues	Amount (In `)	Period to which Relates	Forum Where Dispute is pending
Gujarat VAT Act	Sales Tax, Interest and Penalty	23,28,175/-	2009-10	DCCT-A
Gujarat VAT Act	Sales Tax, Interest and Penalty	4,82,00,824/-	-	DCCT-A
Gujarat VAT Act	Sales Tax, Interest and Penalty	1,83,85,414/-	2010-11	DCCT-A
Income Tax Act	Income Tax	20,81,000	2012-13	CIT-A

- viii) The company had not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix) According to the information and explanations given to us the company had not raised any money by way of Initial Public offer or Further Public Offer (including debt instruments) and term loans.
- x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, managerial remuneration had been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion the company is not Nidhi Company. Therefore the provisions as mentioned in the Nidhi Rules, 2014 are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us all 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, the company had not made preferential allotment of shares or fully or partly convertible debentures during the year/period under review and so the requirement of section 42 of the Companies Act, 2013 is not applicable.
- xv) According to the information and explanations given to us the company had not entered into any non-cash transactions with directors or persons connected with him.
- xvi) In our opinion, the company is not a Non Banking Finance Company, therefore the requirement to register under section 45-IA of the Reserve Bank of India Act, 1934 is not applicable.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 13<sup>th</sup> August, 2016**

## Annexure - B to the Auditors' Report

### **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 **Sagardeep Alloys Limited** (“the Company”) as of **31 March 2016** in conjunction with our audit of the standalone 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 (‘ICAI’). 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 13<sup>th</sup> August, 2016**

## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

Particulars	Note	AMOUNT IN ₹	AMOUNT IN ₹
		31-Mar-16	31-Mar-15
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	02	83,716,000	83,716,000
(b) Reserves and surplus	03	93,489,951	90,014,087
		177,205,951	173,730,087
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	04	1,770,773	18,094,551
(b) Deferred Tax Liability (Net)	05	4,629,889	2,814,969
(c) Long Term Provisions	06	-	-
(d) Other Non current liabilities		-	-
		6,400,662	20,909,520
<b>4 Current liabilities</b>			
(a) Short Term Borrowings	07	132,385,443	148,235,523
(b) Trade payables	08	50,180,744	80,586,323
(c) Other Current Liabilities	09	43,743,808	8,319,235
(d) Short term Provisions	10	1,301,755	200,000
		227,611,750	237,341,081
		411,218,363	431,980,688
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		58,054,058	62,276,127
(ii) Intangible assets			
(iii) Capital work-in-progress		9,110,733	4,955,052
(iv) Intangible assets under development			
(b) Non-current Investments	12	51,620,000	500,000
(c) Long - Term Loans and Advances	13	2,466,099	53,071,717
(d) Other Non-current Assets		-	500,000
		121,250,890	121,302,896
<b>2 Current assets</b>			
(a) Inventories	14	35,232,523	26,790,349
(b) Trade receivables	15	231,556,064	229,615,193
(c) Cash and cash equivalents	16	3,208,149	1,322,926
(d) Short-term loans and advances	17	19,970,737	52,949,324
		289,967,473	310,677,792
		411,218,363	431,980,688

**Summary of significant accounting policies**

1 to 38

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.  
FRN : 121172W  
Chartered Accountants

For SagarDeep Alloys Limited

Satish Asamal Mehta  
Chairman & Managing Director  
DIN - 01958984

Bhavik R. Somani  
Chief Financial Officer

Piyush J. Shah  
Partner  
M.No. : 108670

Asamal Siremal Mehta  
Whole time Director  
DIN - 01900671

Dileep Panchal  
Company Secretary

Place : Ahmedabad  
Date : 13<sup>th</sup> August 2016



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	Note	AMOUNT IN ₹	AMOUNT IN ₹
		31-Mar-2016	31-Mar-2015
I. Revenue From Operations			
Sales	18	1,323,028,278	1,391,462,908
Less: Excise Duty	19	50,091,341	66,933,093
		1,272,936,937	1,324,529,815
II. Other Income	20	1,255,656	1,028,152
III. <b>Total Revenue (I + II)</b>		<b>1,274,192,593</b>	<b>1,325,557,967</b>
IV. <b>Expenses:</b>			
Cost of materials consumed	21	391,224,814	511,683,059
Purchase of Stock In Trade	22	781,906,844	565,761,873
Changes in Inventories	23	(3,410,434)	125,779,335
Employee benefits expenses	24	6,099,855	5,296,670
Finance costs	25	19,524,329	26,039,947
<b>Depreciation and amortization expense</b>			
(i) Depreciation for the year		4,126,672	3,616,142
(ii) Preliminary Expenses W/off		-	-
Other expenses	26	66,304,880	78,954,804
Total expenses		1,265,776,960	1,317,131,830
V. <b>Profit before exceptional and extraordinary items</b>		<b>8,415,633</b>	<b>8,426,137</b>
VI. <b>Exceptional items</b>			
Prior Period Income		-	-
VII. <b>Profit before extraordinary items and tax (V - VI)</b>		<b>8,415,633</b>	<b>8,426,137</b>
VIII. Extraordinary Items		-	-
IX. <b>Profit before tax (VII- VIII)</b>		<b>8,415,633</b>	<b>8,426,137</b>
X. Tax expense:			
(1) Current tax		2,459,549	1,500,000
(2) Deferred tax		1,814,919	(527,317)
(3) Short / (Excess) Provision		165,300	154,503
XI <b>Profit (Loss) for the period</b>		<b>3,975,865</b>	<b>7,298,951</b>
XII Earnings per equity share:	27		
(1) Basic			
(i) Before Extraordinary Items		0.47	0.87
(ii) After Extraordinary Items		0.47	0.87
(2) Diluted			
(i) Before Extraordinary Items		0.47	0.87
(ii) After Extraordinary Items		0.47	0.87

Summary of significant accounting policies 1 to 38

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Piyush J. Shah & Co.  
FRN : 121172W  
Chartered Accountants

Piyush J. Shah  
Partner  
M.No. : 108670

Place : Ahmedabad  
Date : 13<sup>th</sup> August 2016

For SagarDeep Alloys Limited

Satish Asamal Mehta  
Chairman & Managing Director  
DIN - 01958984

Asamal Siremal Mehta  
Wholtime Director  
DIN - 01900671

Bhavik R. Somani  
Chief Financial Officer

Dileep Panchal  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR 01-04-2015 TO 31-03-2016

PARTICULARS	AMOUNT IN ₹	AMOUNT IN ₹
	31-Mar-2016	31-Mar-2015
<b>Cash flow from operating activities:</b>		
Net profit before tax as per statement of profit and loss	8,415,633	8,426,137
<b>Adjusted for:</b>		
Depreciation & amortization	4,126,672	3,616,142
Interest income on loans & advances given	(581,983)	(88,624)
Net (gain) / loss on Foreign Exchanges	(15,295)	-
Loss on Sale of Fixed Assets	623	(414)
Profit on Sale of Fixed Assets	(52)	-
Interest & finance costs	19,524,329	26,039,947
<b>Operating cash flow before working capital changes</b>	<b>31,469,927</b>	<b>37,993,188</b>
<b>Adjusted for:</b>		
(Increase)/ decrease in Inventories	(8,442,174)	133,640,021
(Increase)/ decrease in trade receivables	(1,940,871)	47,146,229
(Increase)/ decrease in loans and advances	83,584,205	(91,769,025)
Increase/ (decrease) in trade payables	(30,405,579)	(90,837,416)
Increase/ (decrease) in current liabilities	35,424,573	7,248,196
Increase/ (decrease) in liabilities & provisions	142,206	(3,500,000)
<b>Cash generated from / (used in) operations</b>	<b>109,832,287</b>	<b>39,921,193</b>
Income taxes paid	(1,665,300)	(1,154,503)
<b>Net cash generated from/ (used in) operating activities</b> [A]	<b>108,166,987</b>	<b>38,766,690</b>
<b>Cash flow from investing activities:</b>		
Purchase of fixed assets	(4,173,855)	(39,071,290)
Sale of Fixed Assets	113,000	5,556,620
Interest income on loans & advances given	581,983	88,624
Purchase of investments	(51,120,000)	(500,000)
<b>Net cash flow from/(used) in investing activities</b> [B]	<b>(54,598,872)</b>	<b>(33,926,046)</b>
<b>Cash flow from financing activities:</b>		
Increase in / Repayment of Long-Term Borrowings	(16,323,778)	18,094,551
Increase in / Repayment of Short-Term Borrowings	(15,850,080)	247,905
Interest & finance costs	(19,524,329)	(26,039,947)
Net (gain) / loss on Foreign Exchanges	15,295	-
Other Inflows / (outflows) of cash	-	8
<b>Net cash flow from/(used in) financing activities</b> [C]	<b>(51,682,892)</b>	<b>(7,697,483)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b> [A+B+C]	<b>1,885,223</b>	<b>(2,856,839)</b>
Cash & cash equivalents as at beginning of the period	1,322,926	4,179,765
<b>Cash &amp; cash equivalents as at end of the period (Refer Note : 16)</b>	<b>3,208,149</b>	<b>1,322,926</b>

Summary of significant accounting policies

1 to 37

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M.No. : 108670

Place : Ahmedabad

Date : 13th August 2016

For SagarDeep Alloys Limited

Satish Asamal Mehta

Chairman & Managing Director

DIN - 01958984

Asamal Siremal Mehta

Wholetime Director

DIN - 01900671

Bhavik Somani

Chief Financial Officer

Dileep Panchal

Company Secretary

## 01 Significant Accounting Policies on Standalone Financial Statements

### (i) Basis of Accounting Policy

The Standalone Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013 or Section 211 (3C) of the Companies Act, 1956.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

### (ii) Revenue Recognition

Revenue is primarily derived from sale of finished goods to the customers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Discount claims, rebates and retirement benefits which cannot be determined with certainty during the year, are recognized on receipt basis.

### (iii) Fixed Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

### (iv) Depreciation

Upto March 31st, 2014 depreciation on fixed assets is provided on straight line method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except in respect of the assets mentioned in Sub note (2) to the Note-12 forming part of Notes to accounts.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

### (v) Investments

Investments are stated at cost.

### (vi) Inventories

Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.

### (vii) Excise Duty

Excise Duty is charged on ad-valorem basis and is accounted for when the goods are cleared from factory site.

### (viii) Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.

### (ix) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.

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

**02 Share Capital:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Authorized :</b>		
Equity shares 20,000,000 of Rs.10 Each	200,000,000	200,000,000
<b>Issued, Subscribed and Paid up :</b>		
Equity shares 8,371,600 of Rs.10 Each	83,716,000	83,716,000
<b>TOTAL</b>	<b>83,716,000</b>	<b>83,716,000</b>

**2.1 The Reconciliation of No. of shares outstanding is set out below:**

Particulars	As At		As At	
	31-Mar-16		31-Mar-15	
	No. of shares	Amount In ₹	No. of shares	Amount In ₹
Equity Shares at the beginning of the year	8,371,600	83,716,000	8,371,600	83,716,000
Add: Shares issued as private placement	-	-	-	-
Add: Shares issued as Bonus	-	-	-	-
Less: Shares Redeemed or bought back during the period	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>8,371,600</b>	<b>83,716,000</b>	<b>8,371,600</b>	<b>83,716,000</b>

**Rights, Preferences and Restrictions attached to shares**
**Equity Shares**

The company has only one class of Equity having a par value ₹10.00 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the 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 to their shareholding.

**2.2 The Details of Shareholder holding more than 5% Shares**

Name Of Shareholder	As At		As At	
	31-Mar-16		31-Mar-15	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	1,466,950	17.52	1,466,950	17.52
Asamalji S. Mehta – HUF	549,000	6.56	549,000	6.56
Jayesh A. Mehta	1,751,500	20.92	1,751,500	20.92
Sagardeep Engineers Pvt Ltd	633,500	7.57	633,500	7.57
Satish A. Mehta	1,578,550	18.86	1,578,550	18.86
Ugamdevi A. Mehta	1,040,600	12.43	1,037,600	12.39
	<b>7,020,100</b>	<b>83.86</b>	<b>7,017,100</b>	<b>83.82</b>

**03 Reserves and Surplus:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Profit and Loss Account</b>		
Opening Balance	39,550,087	32,358,061
Add: Profit for the year	3,975,865	7,298,951
Less: Accelerated Depreciation as per the Companies Act, 2013	-	(106,925)
<b>Closing Balance</b>	<b>43,525,951</b>	<b>39,550,087</b>
<b>Securities Premium</b>		
Opening Balance	50,464,000	50,464,000
Add: Addition during the year	-	-

Less: Deletion during the year (Sub Note : 1)	(500,000)	-
<b>Closing Balance</b>	<b>49,964,000</b>	<b>50,464,000</b>
<b>TOTAL</b>	<b>93,489,951</b>	<b>90,014,087</b>

**Sub Note : 1**

The company have adjusted the balance standing in Other Non-Current asset consisting Preliminary Expenses not written off against balance in Profit & Loss Account as per requirement of Section 51 of the Companies Act, 2013.

**04 Long-Term Borrowings**

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Non - Current	Current Maturities	Non - Current	Current Maturities
<b>Loans and advances from related parties and others</b>				
Unsecured Loans	-	-	15,677,724	-
	-	-	<b>15,677,724</b>	-
<b>Other Loans and advances</b>				
Loans taken for vehicles - Secured (Sub Note : 1)		646,054	2,416,827	581,837
	1,770,773			
	<b>1,770,773</b>	<b>646,054</b>	<b>2,416,827</b>	<b>581,837</b>
<b>The above amounts includes</b>				
Secured Borrowings	1,770,773	646,054	2,416,827	581,837
Unsecured Borrowings	-	-	15,677,724	-
Amount Disclosed under the head "Other Current Liabilities" (Note No: 9)	-	(646,054)	-	(581,837)
<b>TOTAL</b>	<b>1,770,773</b>	<b>-</b>	<b>18,094,551</b>	<b>-</b>

**Sub Note : 1**

(i) Vehicle Loan taken from HDFC Bank Limited amounting to ₹ 2,100,000/- repayable in 60 installments of ₹ 44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to ₹ 1,300,000/- repayable in 60 installments of ₹ 27,720/- starting from July 05, 2014.

**05 Deferred Tax Liabilities:**

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
<b>Deferred tax liability</b>		
Related to Fixed Assets	4,951,248	2,814,969
<b>Deferred tax assets</b>		
Related to Preliminary Expenses	(321,360)	-
<b>Gross Deferred Tax Liability</b>	<b>4,629,888</b>	<b>2,814,969</b>
<b>Net Deferred Tax Liability</b>	<b>4,629,889</b>	<b>2,814,969</b>

**06 Long-Term Provisions:**

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Long- Term	Short- Term	Long-Term	Short-Term
<b>Other Provisions</b>				
Audit Fees Payable	-	217,550	-	200,000
Current Tax Provision (net of advance tax and TDS)	-	885,872	-	-
TDS Payable	-	198,333	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,301,755</b>	<b>-</b>	<b>200,000</b>

**07 Short-Term Borrowings:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Loans Repayable on Demands - From Banks</b>		
Working Capital Loans - Secured (Sub Note -1)	132,385,443	148,235,523
	<b>132,385,443</b>	<b>148,235,523</b>
<b>The above amount includes</b>		
Secured Borrowings	132,385,443	148,235,523
<b>TOTAL</b>	<b>132,385,443</b>	<b>148,235,523</b>

**Sub Note : 1**

i) BOB C.C. Loan outstanding as on March 31, 2016 is secured against Hypothecation of Stock and Book Debts sanctioned, factory Land & Building, Plant & Machinery situated at block no. 207, Village -Santej, Taluka Kalol, District-Gandhinagar, at the rate of 12.15% and directors have given their personal guarantee for the Loan.

**08 Trade Payables:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Sundry Creditors for Goods	46,820,275	73,514,063
Sundry Creditors for Capital Goods	-	3,797,050
Sundry Creditors for Expenses	3,360,469	3,275,210
<b>TOTAL</b>	<b>50,180,744</b>	<b>80,586,323</b>

**Sub Note:**

Trade Payable as on March 31, 2016 is taken as certified by management.

**09 Other Current Liabilities:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Current Maturities of Long Term Loans (Note : 4)</b>		
(Sub Note : 1)	646,054	581,837
	<b>646,054</b>	<b>581,837</b>
<b>Other Payables</b>		
Other Taxes Payable	-	5,597,241
Advance received from customers (Sub Note : 2)	43,097,754	2,140,157
	<b>43,097,754</b>	<b>7,737,398</b>
<b>TOTAL</b>	<b>43,743,808</b>	<b>8,319,235</b>

**Sub Note : 1**

(i) Vehicle Loan taken from HDFC Bank Limited amounting to ₹ 2,100,000/- repayable in 60 installments of ₹ 44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to ₹ 1,300,000/- repayable in 60 installments of ₹ 27,720/- starting from July 05, 2014.

**Sub Note : 2**

Advanced received from customer as on March 31, 2016 is taken as certified by the management. No security have been given on the same.

**10 Short-Term Provisions:**

Particulars	As At		As At	
	31-Mar-16		31-Mar-15	
	Amount In ₹		Amount In ₹	
	Long-Term	Short-Term	Long-Term	Short-Term

<b>Other Provisions</b>				
Audit Fees Payable	-	217,550	-	200,000
Current Tax Provision (net of advance tax and TDS)	-	885,872	-	-
TDS Payable	-	198,333	-	-
<b>TOTAL</b>	-	<b>1,301,755</b>	-	<b>200,000</b>

**Sub Note:**

Short-Term provisions includes amount provided based on the management estimation.

**11 Fixed Assets as at 31<sup>st</sup> March 2016**

				Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block	
	Description Of Assets	Useful life (In Years)	Shift Operated	Balance as at 01.04.2015	Additions during the period	Deletions during the period	Balance as at 31.03.2016	Balance as at 01.04.2015	Provided during the period	Deletions during the period	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015	
A (a)	<b>Tangible Assets</b>													
	<b>Own Assets</b>													
	<b>Buildings</b>													
	Factory at Santej	30.00	Single	6,212,006	-	-	6,212,006	1,046,323	197,625	-	1,243,948	4,968,058	5,165,683	
	Bandhu Samaj	30.00	Single	7,676,750	-	-	7,676,750	711,123	259,280	-	970,403	6,706,347	6,965,627	
	Shed at Rakhial	30.00	Single	1,177,190	-	-	1,177,190	154,759	41,805	-	196,564	980,626	1,022,431	
	Shed at Jagannath Estate	30.00	Single	173,610	-	-	173,610	10,377	5,655	-	16,032	157,578	163,233	
					15,239,556	-	-	15,239,556	1,922,582	504,365	-	2,426,947	12,812,609	13,316,974
	<b>Plant &amp; Machinery</b>													
	Plant & Machinery	15.00	Single	14,802,036	-	-	14,802,036	3,328,965	1,014,395	-	4,343,360	10,458,676	11,473,071	
	Analytical Machine	15.00	Single	1,012,099	-	-	1,012,099	286,464	71,773	-	358,237	653,862	725,635	
	Plant & Machinery - Lunej	15.00	Single	28,181,921	-	-	28,181,921	1,338,603	1,816,730	-	3,155,333	25,026,588	26,843,318	
					43,996,056	-	-	43,996,056	4,954,032	2,902,898	-	7,856,930	36,139,126	39,042,024
	<b>Furniture &amp; Fittings</b>													
	Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	6,457	1,957	-	8,414	7,190	9,147	
					15,604	-	-	15,604	6,457	1,957	-	8,414	7,190	9,147
	<b>Office Equipment</b>													
	Air Conditioner	5.00	Single	81,600	-	-	81,600	41,048	15,555	-	56,603	24,997	40,552	
	Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735	
	Mobile Phones	5.00	Single	73,674	18,174	-	91,848	45,650	14,931	-	60,581	31,267	28,024	
					169,974	18,174	-	188,148	100,663	30,486	-	131,149	56,999	69,311
	<b>Motor Vehicles</b>													
Motor Car	8.00	Single	5,407,291	-	785,365	4,621,926	1,241,795	652,966	671,795	1,222,966	3,398,960	4,165,496		
Other Vehicles	10.00	Single	128,698	-	-	128,698	55,564	12,241	-	67,805	60,893	73,134		
				5,535,989	-	785,365	4,750,624	1,297,359	665,207	671,795	1,290,771	3,459,853	4,238,630	
<b>Computers and Data Processing Units</b>														
Computers and Printer	3.00	Single	470,191	-	-	470,191	425,706	21,759	-	447,465	22,726	44,485		
				470,191	-	-	470,191	425,706	21,759	-	447,465	22,726	44,485	
<b>Land</b>														
	-	-	-	5,555,555	-	-	5,555,555	-	-	-	5,555,555	5,555,555		
<b>Total (A)</b>	-	-	-	70,982,925	18,174	785,365	70,215,734	8,706,799	4,126,672	671,795	12,161,676	58,054,058	62,276,126	



B	Capital Work In Progress												
	Buildings												
	Bandhu Samaj (WIP)	-	-	2,102,746	4,155,681	-	6,258,427	-	-	-	-	6,258,427	2,102,746
	Factory Shed (WIP)	-	-	2,852,306	-	-	2,852,306	-	-	-	-	2,852,306	2,852,306
	Total (B)	-	-	4,955,052	4,155,681	-	9,110,733	-	-	-	-	9,110,733	4,955,052
Grand Total (A+B)	-	-	75,937,977	4,173,855	785,365	79,326,467	8,706,799	4,126,672	671,795	12,161,676	67,164,791	67,231,178	

**Sub Note:**

Company had started its plant at Lunej, Khambhat in July, 2014 in a premise which was taken on rent. Initially, the promoters of the company were intending to purchase the whole plant including land & building but there was problem in the clearance of title deed. Therefore, the company entered into a rent agreement with the seller for using the said premise for a period of 11 months and to acquire the plant later on when the title is cleared in the name of the seller. The company invested approximately Rs. 3.00 Crores in plant & machineries for commencing its business activities. As the seller could not clear property title in his name even after completion of a year and it was apparent that seller was delaying the sale process unnecessarily, Company decided to leave the project and shut down plant. Company carried out its last transaction in June 2015 and since then Company has neither done any manufacturing nor carried out any sale transaction in business. During period from July 2014 to June 2015, company made total turnover of Rs. 83.29 Lacs (approx) and Company realized the amount of Rs. 74 Lacs (approximately). At present plant is in the possession of Land Owner and Company is planning to sold out its all assets related with plant as it is not viable for the company to do the business. In June 2015 plant possession was taken by the land owner and stocks of Rs. 9.00 Lacs (approximately) were lying in the factory. At present plant is not working but company is regularly filing its Excise Return.

**12 Non-Current Investments:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Non-Trade Investments</b> (Valued at cost unless stated otherwise)		
Investments in equity Instruments (Unquoted) - In Others		
Investments in other Indian Companies Equity Instruments		
Unquoted Non-Trade (Sub Note : 1)	51,620,000	500,000
<b>TOTAL</b>	<b>51,620,000</b>	<b>500,000</b>

**Sub Note : 1**

The Company has invested ₹ 51,120,000/- in its wholly owned subsidiary i.e. Sagardeep Engineers Private Limited.

**13 Loans and Advances:**

Particulars	As At		As At	
	31-Mar-16		31-Mar-15	
	Amount In ₹		Amount In ₹	
	Long-Term	Short-Term	Long-Term	Short-Term
<b>Security Deposit</b>				
Unsecured Considered good (Sub Note : 1)	2,466,099	-	1,526,372	-
	<b>2,466,099</b>	<b>-</b>	<b>1,526,372</b>	<b>-</b>
<b>Loans and advances to related parties</b>				
Secured considered good	-	-	51,545,345	-
	<b>-</b>	<b>-</b>	<b>51,545,345</b>	<b>-</b>
<b>Other Loans and Advances</b>				
Advances given to suppliers (Sub Note : 2)	-	4,550,129	-	47,147,036
Cenvat Receivable (Secured)	-	5,239,859	-	4,634,550
Other Advance (Sub Note : 3)	-	2,583,000	-	160,035
Other Receivables (Sub Note : 4)	-	7,171,126	-	-
Prepaid Insurance	-	34,327	-	-
TCS Receivable (Secured)	-	7,703	-	7,703
VAT Receivables (Secured)	-	384,593	-	1,000,000
	<b>-</b>	<b>19,970,737</b>	<b>-</b>	<b>52,949,324</b>
<b>TOTAL</b>	<b>2,466,099</b>	<b>19,970,737</b>	<b>53,071,717</b>	<b>52,949,324</b>

**Sub Note : 1**

Security deposit given includes deposit with Uttar Gujarat Vij Company Limited and Torrent Power Limited.

**Sub Note : 2**

Advanced given to suppliers as on March 31, 2016 is taken as certified by the management. No security has been taken on the same.

**Sub Note : 3**

Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good.

**Sub Note : 4**

Other Receivables includes advances given or amount to be realized towards Purchase License, SAD Receivables and Advance given for short term etc.

**14 Inventories:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Valued at Cost or NRV whichever is Less</b>		
Raw Material	23,241,719	18,209,979
Finished Goods	9,975,957	4,196,682
Traded Goods	50,417	104,932
Work In Progress	1,964,430	4,278,756
<b>TOTAL</b>	<b>35,232,523</b>	<b>26,790,349</b>

**Sub Note:**

Inventories as on March 31, 2016 has been taken as certified by management. The same have been physically verified as on March 31, 2016.

**15 Trade Receivables:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Unsecured and considered good</b>		
Exceeding six months	3,257,705	2,707,091
Others	228,298,359	226,908,102
<b>TOTAL</b>	<b>231,556,064</b>	<b>229,615,193</b>

**Sub Note:**

Amounts receivable from Debtors as on March 31, 2016 taken as certified by management and considered good.

**16 Cash and Cash Equivalent:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Balance with Banks	2,135,531	1,229,708
Cash In Hand	1,072,618	93,218
<b>TOTAL</b>	<b>3,208,149</b>	<b>1,322,926</b>

**17 Short Term Loans and Advances:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Short Term Loans and Advances - (Note : 13)	19,970,737	52,949,324
<b>TOTAL</b>	<b>19,970,737</b>	<b>52,949,324</b>

**Sub Note :**

(i) Advanced given to suppliers as on March 31, 2016 is taken as certified by the management. No security has been taken on the same.

(ii) Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good.

(iii) Other Receivables includes advances given or amount to be realized towards Purchase License, SAD Receivables etc.

**18 Revenue from Operations:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Sale of Products</b>		
Revenue from sale of products	1,320,816,415	1,392,943,297
<b>Sale of Services</b>		
Revenue from Job Work	493,982	27,360
<b>Other operating Revenues</b>		
Packing and Forwarding	430,429	356,361
Quality Claim	1,287,452	-
<b>Gross Revenue from Operations</b>	<b>1,323,028,278</b>	<b>1,393,327,018</b>
<b>Less: Adjustments</b>		
Returns on revenue from sale of products	-	1,864,110
<b>TOTAL</b>	<b>1,323,028,278</b>	<b>1,391,462,908</b>

<b>19 Excise Duty:</b>			
Particulars	As At	As At	
	31-Mar-16	31-Mar-15	
	Amount In ₹	Amount In ₹	
Excise duty on sales	50,091,341	66,933,093	
<b>TOTAL</b>	<b>50,091,341</b>	<b>66,933,093</b>	
<b>20 Other Income:</b>			
Particulars	As At	As At	
	31-Mar-16	31-Mar-15	
	Amount In ₹	Amount In ₹	
<b>Interest Income</b>	581,983	88,624	
	<b>581,983</b>	<b>88,624</b>	
<b>Other Non-Operating Income</b>			
Custom Duty Refund	-	647,726	
Gain / Loss on Foreign Exchange	15,295	-	
Profit on Sale / Purchase of License	658,378	291,802	
<b>TOTAL</b>	<b>1,255,656</b>	<b>1,028,152</b>	
<b>21 Cost of Material Consumed:</b>			
Particulars	As At	As At	
	31-Mar-16	31-Mar-15	
	Amount In ₹	Amount In ₹	
<b>Inventory at the beginning</b>			
Raw Material	18,209,979	26,070,665	
<b>Add: Purchases</b>			
Raw Material	396,256,554	503,822,373	
<b>Less: Inventory at the end</b>			
Raw Material	23,241,719	18,209,979	
<b>TOTAL</b>	<b>391,224,814</b>	<b>511,683,059</b>	
<b>22 Purchase of Stock-In-Trade / Labour:</b>			
Particulars	As At	As At	
	31-Mar-16	31-Mar-15	
	Amount In ₹	Amount In ₹	
Purchase of Stock-In-Trade	772,465,550	561,152,205	
Labour Purchase	9,441,294	4,609,668	
<b>TOTAL</b>	<b>781,906,844</b>	<b>565,761,873</b>	
<b>23 Changes In Inventories:</b>			
Particulars	As At	As At	
	31-Mar-16	31-Mar-15	
	Amount In ₹	Amount In ₹	
<b>Inventory at the end of the year</b>			
Finished Goods	9,975,957	4,196,682	
Work-In-Progress	1,964,430	4,278,756	
Traded Goods	50,417	104,932	
	<b>11,990,804</b>	<b>8,580,370</b>	

<b>Inventory at the beginning of the year</b>		
Finished Goods	4,196,682	6,930,322
Work-In-Progress	4,278,756	-
Traded Goods	104,932	127,429,383
	<b>8,580,370</b>	<b>134,359,705</b>
<b>(Increase)/Decrease in Inventories</b>		
Finished Goods	(5,779,275)	2,733,640
Work-In-Progress	2,314,326	(4,278,756)
Traded Goods	54,515	127,324,451
<b>TOTAL</b>	<b>(3,410,434)</b>	<b>125,779,335</b>

**24 Employee Benefit Expenses:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Salaries and Wages</b>		
Bonus Expenses	95,530	-
Director's Remuneration	3,600,000	3,600,000
Salary and Wages	1,933,261	1,385,504
	<b>5,628,791</b>	<b>4,985,504</b>
<b>Contribution to Provident Fund and other Funds</b>		
Contribution to Provident Fund and other Funds	342,319	163,176
	<b>342,319</b>	<b>163,176</b>
<b>Staff Welfare Expenses</b>	<b>128,745</b>	<b>147,990</b>
<b>TOTAL</b>	<b>6,099,855</b>	<b>5,296,670</b>

**25 Finance Costs:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
<b>Interest Expenses</b>		
Interest on Short-Term Loans from Banks	17,549,900	18,740,429
Interest on Short-Term Loans from Others	-	65,249
Interest on Long-Term Loans from Banks	287,803	206,144
	<b>17,837,703</b>	<b>19,011,822</b>
<b>Other Borrowing Costs</b>		
Other Borrowing Costs	1,686,626	7,028,125
	<b>1,686,626</b>	<b>7,028,125</b>
<b>TOTAL</b>	<b>19,524,329</b>	<b>26,039,947</b>

**26 Other Expenses:**

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Business & Sales Promotion Expenses	575,345	-
Conveyance Expenses	268,006	354,550
Clearing and Forwarding Expenses	6,265,681	3,216,456
Custom Duty Expenses	31,272,975	38,296,505
Factory Expenses	267,615	513,236
Freight Expenses	3,940,836	6,620,541
Income Tax Expenses	293,029	-
Indirect Tax Expenses	433,111	1,256,981
Insurance Expenses	126,614	64,917
Labour Expenses	2,342,413	3,993,563

Loading & Unloading Expenses	826,743	813,847
Membership Expenses	85,095	-
Office Expenses	58,700	65,644
Other Expenses	-	478,400
Postage & Courier Expenses	12,963	3,841
Power & Fuel Expenses	12,877,444	16,551,718
Printing & Stationary Expenses	45,692	37,517
Professional Fees Expenses	2,034,468	621,346
Professional Tax Expenses	33,980	23,600
Profit/Loss on Sale of Fixed Assets	571	(414)
Rate Difference and Sundry Balances written off	1,140,106	(964,066)
Rent Expenses	65,304	2,357,000
Repairing & Maintenance Expenses	393,577	1,032,836
ROC Expenses	97,430	1,800
Security Expenses	144,234	210,227
Store Purchase Expenses	2,355,781	3,035,787
Telephone Expenses	258,898	255,382
Travelling Expenses	88,269	113,590
<b>TOTAL</b>	<b>66,304,880</b>	<b>78,954,804</b>

## 27 Earning Per Share:

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
<b>Basic</b>				
Profit after Tax (A)	3,975,865	3,975,865	7,298,951	7,298,951
Weighted average no. of shares outstanding (B)	8,371,600	8,371,600	8,371,600	8,371,600
Basic EPS (A)/(B)	0.47	0.47	0.87	0.87
Diluted EPS (A)/(B)	0.47	0.47	0.87	0.87
Face Value per Share	10.00	10.00	10.00	10.00

28 Trade Receivables, Trade Payables, Loans & Advances and Unsecured Loans has been taken at Book Value subject to confirmations and reconciliation.

29 Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

30 Excise Duty has not taken into account for valuation of finished goods looking at factory site in view of accounting policy no. The same has no impact on statement of Profit & Loss.

## 31 Related Party Disclosures:

### 31.1 Related Parties & their Relationship

As per AS 18, the disclosures of transactions with the related parties are given below:

i) List of Related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Parties <sup>##</sup>	Relationship
(i)	Satish Asamal Mehta	Managing Director
(ii)	Asamal Siremal Mehta	Director
(iii)	Jayesh Asamal Mehta	Director
(iv)	Harish Asamal Mehta	Director
(v)	Sagardeep Engineers Private Limited	Wholly Owned Subsidiary

### 31.2 Transactions with Related Parties

Particulars	Nature of Transaction	Amount (In ₹)
Satish Asamal Mehta	Director Remuneration	900,000
Asamal Siremal Mehta	Director Remuneration	900,000
Jayesh Asamal Mehta	Director Remuneration	900,000
Harish Asamal Mehta	Director Remuneration	900,000
Sagardeep Engineers Private Limited	Share Purchase*	51,120,000

\*Conversion of Unsecured Loan given to Wholly Owned Subsidiary into Equity Shares at ₹ 36 per Equity Share (including securities premium of ₹ 26 per Equity Share)

## Only those related party names are mentioned with whom transactions have taken place during the year.

32 All assets and Liabilities are presented as Current or Non-Current as per criteria set out in Schedule - III to the Companies Act, 2013 as notified by Ministry of Corporate Affairs. Based on the nature of operation of the company and realization from the trade receivables, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current / Non Current classification of assets and liabilities.

33 The SSI Status of the creditors is not known to the company; hence the information is not given.

### 34 Capacity of Plant:

Class of Goods	UOM	Installed Capacity
Copper & Brass Items	MT	2400

### 35 Segment Reporting:

The Company have not any business segment or geographical segment other than the one i.e. Dealing in Metal. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

### 36 Payment to Auditor as:

Sr. No.	Auditor	2015-16	2014-15
i)	Statutory Audit	150,000	150,000
ii)	Tax Audit	40,000	30,000
iii)	Company Law matters	-	20,000

37 Previous year's figures have been regrouped and rearranged wherever necessary.

38 As informed to us, the Contingent Liability is NIL.

**For Piyush J. Shah & Co.**  
FRN : 121172W  
Chartered Accountants

**Piyush J. Shah**  
Partner  
M.No. : 108670

**Place : Ahmedabad**  
**Date : 13<sup>th</sup> August 2016**

**For SagarDeep Alloys Limited**

**Satish Asamal Mehta**  
Chairman & Managing Director  
DIN - 01958984

**Asamal Siremal Mehta**  
Wholtime Director  
DIN - 01900671

**Bhavik R. Somani**  
Chief Financial Officer

**Dileep Panchal**  
Company Secretary

## **INDEPENDENT AUDITORS' REPORT**

**TO,  
THE MEMBERS OF  
SAGARDEEP ALLOYS LIMITED**

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of **SAGARDEEP ALLOYS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Profit and Loss Statement, the Cash Flow Statement for the Period ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated 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 there under.

We have 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 consolidated financial statements are free from material misstatements.

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year/period ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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- A”; and
- g) With respect to the other matters included in the auditor’s report and to best of our information and according to the explanation given to us.
  1. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
  2. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  3. There has been no delay in transferring amounts, required to be transferred, to the investor’s education and protection fund by the company, if any.

**For Piyush J. Shah & Co.**  
**Chartered Accountants**  
**FRN: 121172W**

**Piyush J. Shah**  
**Partner**  
**M. No: 108670**  
**Place: Ahmedabad**  
**Date: 13<sup>th</sup> August, 2016**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note	AMOUNT IN ₹	
		31-Mar-16	31-Mar-15
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	02	77,381,000	77,381,000
(b) Reserves and surplus	03	92,805,476	89,732,767
		<b>170,186,476</b>	<b>167,113,767</b>
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	04	1,770,773	18,094,551
(b) Deferred tax liability (net)	05	4,740,708	2,814,969
(c) Long term provisions	06	-	-
(d) Other Non-current liabilities		-	-
		<b>6,511,481</b>	<b>20,909,520</b>
4 Current liabilities			
(a) Short term borrowings	07	132,385,443	148,235,523
(b) Trade payables	08	175,471,594	80,754,942
(c) Other current liabilities	09	49,843,808	8,319,235
(d) Short term provisions	10	1,296,356	200,000
		<b>358,997,201</b>	<b>237,509,700</b>
		<b>535,695,158</b>	<b>425,532,987</b>
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		68,214,074	62,276,127
(ii) Intangible assets			
(iii) Capital work-in-progress		39,347,907	45,509,466
(iv) Intangible assets under development			
(b) Non-current Investments		-	-
(c) Long term loans and advances	12	5,255,757	4,546,030
(d) Other Non-current assets		-	1,289,344
		<b>112,817,738</b>	<b>113,620,967</b>
2 Current assets			
(a) Inventories	13	36,161,589	27,406,749
(b) Trade receivables	14	355,245,993	229,615,193
(c) Cash and cash equivalents	15	4,135,814	1,383,302
(d) Short-term loans and advances	16	27,334,024	53,506,776
		<b>422,877,420</b>	<b>311,912,020</b>
		<b>535,695,158</b>	<b>425,532,987</b>

Summary of significant accounting policies

1 to 37

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Piyush J. Shah & Co.**

**FRN : 121172W**

**Chartered Accountants**

**Piyush J. Shah**

**Partner**

**M.No. : 108670**

**Place: Ahmedabad**

**Date : 13<sup>th</sup> August, 2016**

**For SagarDeep Alloys Limited**

**Satish Asamal Mehta**  
**Chairman & Managing Director**  
**DIN - 01958984**

**Asamal Siremal Mehta**  
**Whole time Director**  
**DIN - 01900671**

**Bhavik R. Somani**  
**Chief Financial Officer**

**Dileep Panchal**  
**Company Secretary**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	Note	AMOUNT IN ₹	
		31-Mar-2016	31-Mar-2015
I. Revenue From Operations			
Sales	17	1,471,598,400	1,391,462,908
Less: Excise Duty	18	50,091,341	66,933,093
		<b>1,421,507,059</b>	<b>1,324,529,815</b>
II. Other Income	19	1,291,656	1,028,152
III. Total Revenue (I + II)		<b>1,422,798,715</b>	<b>1,325,557,967</b>
IV. Expenses:			
Cost of materials consumed	20	391,224,814	511,683,059
Purchase of Stock In Trade	21	929,875,074	565,761,873
Changes in Inventories	22	(3,723,100)	125,779,335
Employee benefits expenses	23	6,099,855	5,296,670
Finance costs	24	19,530,600	26,039,947
Depreciation and amortization expense			
(i) Depreciation for the year		4,283,897	3,616,142
(ii) Preliminary Expenses W/off		-	-
Other expenses	25	66,511,784	78,954,804
Total expenses		<b>1,413,802,924</b>	<b>1,317,131,830</b>
V. Profit before exceptional and extraordinary items		8,995,792	8,426,137
VI. Exceptional items			
Prior Period Income		-	-
VII. Profit before extraordinary items and tax (V - VI)		8,995,792	8,426,137
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		<b>8,995,792</b>	<b>8,426,137</b>
X. Tax expense:			
(1) Current tax		2,542,700	1,500,000
(2) Deferred tax		1,925,738	(527,317)
(3) Short / (Excess) Provision		165,300	157,218
XI Profit (Loss) for the period		<b>4,362,053</b>	<b>7,296,236</b>
XII Earnings per equity share:	26		
(1) Basic			
(i) Before Extraordinary Items		<b>0.56</b>	<b>0.94</b>
(ii) After Extraordinary Items		<b>0.56</b>	<b>0.94</b>
(2) Diluted			
(i) Before Extraordinary Items		<b>0.56</b>	<b>0.94</b>
(ii) After Extraordinary Items		<b>0.56</b>	<b>0.94</b>

Summary of significant accounting policies 1 to 37

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Piyush J. Shah & Co.**  
FRN : 121172W  
Chartered Accountants

**Piyush J. Shah**  
Partner  
M.No. : 108670

Place : Ahmedabad  
Date : 13<sup>th</sup> August, 2016

**For SagarDeep Alloys Limited**

**Satish Asamal Mehta**  
Chairman & Managing Director  
DIN - 01958984

**Asamal Siremal Mehta**  
Whole time Director  
DIN - 01900671

**Bhavik R. Somani**  
Chief Financial Officer

**Dileep Panchal**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR 01-04-2015 TO 31-03-2016**

Particulars	AMOUNT IN ₹	
	31-Mar-2016	31-Mar-2015
<b><u>Cash flow from operating activities:</u></b>		
Net profit before tax as per statement of profit and loss	<b>8,995,792</b>	<b>8,426,137</b>
Adjusted for:		
Depreciation & amortization	4,283,897	3,616,142
Interest income on loans & advances given	(581,983)	(88,624)
Net (gain) / loss on Foreign Exchanges	(15,295)	-
Loss on Sale of Fixed Assets	623	(414)
Profit on Sale of Fixed Assets	(52)	-
Interest & finance costs	19,530,600	26,039,947
<b>Operating cash flow before working capital changes</b>	<b>32,213,581</b>	<b>37,993,188</b>
Adjusted for:		
(Increase)/ decrease in Inventories	(8,754,840)	133,023,621
(Increase)/ decrease in trade receivables	(125,630,800)	47,146,229
Increase/ (decrease) in trade payables	94,716,652	(90,785,033)
Increase/ (decrease) in current liabilities	41,524,573	6,748,186
Increase/ (decrease) in liabilities & provisions	153,656	(2,535,000)
Cash generated from / (used in) operations	34,222,822	131,591,191
Income taxes paid	(1,765,300)	(1,657,218)
<b>Net cash generated from/ (used in) operating activities</b> [A]	<b>32,457,522</b>	<b>129,933,973</b>
<b><u>Cash flow from investing activities:</u></b>		
Purchase of fixed assets	(4,173,855)	(64,531,555)
Sale of Fixed Assets	113,000	5,556,620
(Increase)/ decrease in loans and advances	25,463,025	(42,186,478)
Interest income on loans & advances given	581,983	88,624
Other Cash Outflows	-	(1,257,409)
<b>Net cash flow from/(used) in investing activities</b> [B]	<b>21,984,153</b>	<b>(102,330,198)</b>
<b><u>Cash flow from financing activities:</u></b>		
Increase in / Repayment of Long-Term Borrowings	(16,323,778)	(4,725,062)
Increase in / Repayment of Short-Term Borrowings	(15,850,080)	247,904
Interest & finance costs	(19,530,600)	(26,039,947)
Net (gain) / loss on Foreign Exchanges	15,295	-
<b>Net cash flow from/(used in) financing activities</b> [C]	<b>(51,689,163)</b>	<b>(30,517,105)</b>
Net increase/(decrease) in cash & cash equivalents [A+B+C]	2,752,512	(2,913,330)
Cash & cash equivalents as at beginning of the period	1,383,302	4,296,632
<b>Cash &amp; cash equivalents as at end of the period (Refer Note : 15)</b>	<b>4,135,814</b>	<b>1,383,302</b>

Summary of significant accounting policies 1 to 37

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Piyush J. Shah & Co.**

**FRN : 121172W**

**Chartered Accountants**

**Piyush J. Shah**

**Partner**

**M.No. : 108670**

**Place : Ahmedabad**

**Date : 13<sup>th</sup> August, 2016**

**For SagarDeep Alloys Limited**

**Satish Asamal Mehta**  
**Chairman & Managing Director**  
**DIN - 01958984**

**Asamal Siremal Mehta**  
**Whole time Director**  
**DIN - 01900671**

**Bhavik Somani**  
**Chief Financial Officer**

**Dileep Panchal**  
**Company Secretary**

## **01 Significant Accounting Policies on Consolidated Financial Statements**

- (i) **Basis of Accounting Policy**  
The Standalone Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013 or Section 211 (3C) of the Companies Act, 1956.  
The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.
- (ii) **Revenue Recognition**  
Revenue is primarily derived from sale of finished goods to the customers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.  
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.  
Discount claims, rebates and retirement benefits which cannot be determined with certainty during the year, are recognized on receipt basis.
- (iii) **Fixed Assets**  
Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.  
Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iv) **Depreciation**  
Upto March 31<sup>st</sup>, 2014 depreciation on fixed assets is provided on straight line method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.  
Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.
- (v) **Investments**  
Investments are stated at cost.
- (vi) **Inventories**  
Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.
- (vii) **Excise Duty**  
Excise Duty is charged on ad-valorem basis and is accounted for when the goods are cleared from factory site.
- (viii) **Provision for Current Tax and Deferred Tax**  
Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.  
Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.
- (ix) **Provisions, Contingent Liabilities and Contingent Assets**  
Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.  
Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.  
Contingent assets are neither recognized nor disclosed in the financial statements.

02 Share Capital:

Particulars	As At	
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Authorized :		
Equity shares 20,000,000 of Rs.10 Each	200,000,000	200,000,000
Issued, Subscribed and Paid up :		
Equity shares 7,738,100 of Rs.10 Each	77,381,000	77,381,000
<b>TOTAL</b>	<b>77,381,000</b>	<b>77,381,000</b>

2.1 The Reconciliation of No. of shares outstanding is set out below:

Particulars	As At		As At	
	31-Mar-16		31-Mar-15	
	No. of shares	Amount In ₹	No. of shares	Amount In ₹
Equity Shares at the beginning of the year	7,738,100	77,381,000	7,738,100	77,381,000
Add: Shares issued as private placement	-	-	-	-
Add: Shares issued as Bonus	-	-	-	-
Less: Shares Redeemed or bought back during the period	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>7,738,100</b>	<b>77,381,000</b>	<b>7,738,100</b>	<b>77,381,000</b>

Rights, Preferences and Restrictions attached to shares  
Equity Shares

The company has only one class of Equity having a par value ₹ 10.00 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the 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 to their shareholding.

2.2 The Details of Shareholder holding more than 5% Shares:

Name Of Shareholder	As At		As At	
	31-Mar-16		31-Mar-15	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	1,466,950	18.96	1,466,950	18.96
Asamalji S. Mehta - HUF	549,000	7.09	549,000	7.09
Jayesh A. Mehta	1,751,500	22.63	1,751,500	22.63
Satish A. Mehta	1,578,550	20.40	1,578,550	20.40
Ugamdevi A. Mehta	1,040,600	13.45	1,037,600	13.41
	<b>6,386,600</b>	<b>82.53</b>	<b>6,383,600</b>	<b>82.50</b>

03 Reserves and Surplus:

Particulars	As At	
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Profit and Loss Account		
Opening Balance	36,289,757	32,619,456
Add: Profit for the year	4,362,053	3,777,226
Less: Accelerated Depreciation as per the Companies Act, 2013	-	(106,925)
Closing Balance	40,651,810	36,289,757

Securities Premium		
Opening Balance	50,464,000	50,464,000
Add: Addition during the year	-	-
Less: Deletion during the year	(1,289,344)	-
Closing Balance	49,174,656	50,464,000
Capital Reserve		
Opening Balance	2,979,010	-
Add: Addition during the year	-	2,979,010
Less: Deletion during the year	-	-
Closing Balance	2,979,010	2,979,010
<b>TOTAL</b>	<b>92,805,476</b>	<b>89,732,767</b>

**Sub Note : 1**

The Company have adjusted the unadjusted balance of preliminary expenses from the balance of Securities Premium Account under Section 51 of the Companies Act 2013.

04 Long-Term Borrowings:

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Non – Current	Current Maturities	Non - Current	Current Maturities
Loans and advances from related parties and others				
Unsecured Loans	-	-	15,677,724	-
	-	-	15,677,724	-
Other Loans and advances				
Loans taken for vehicles - Secured (Sub Note : 2)	1,770,773	646,054	2,416,827	581,837
	1,770,773	646,054	2,416,827	581,837
The above amounts includes				
Secured Borrowings	1,770,773	646,054	2,416,827	581,837
Unsecured Borrowings	-	-	15,677,724	-
Amount Disclosed under the head "Other Current Liabilities" (Note No: 9)	-	(646,054)	-	(581,837)
<b>TOTAL</b>	<b>1,770,773</b>	<b>-</b>	<b>18,094,551</b>	<b>-</b>

**Sub Note : 1**

(i) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to ₹ 2,100,000/- repayable in 60 installments of ₹ 44,750/- starting from August 05, 2014.

(ii) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to ₹ 1,300,000/- repayable in 60 installments of ₹ 27,720/- starting from July 05, 2014.

05 Deferred Tax Liabilities:

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
Deferred tax liability		
Related to Fixed Assets	5,062,067	2,814,969
Deferred tax assets		
Related to Preliminary Expenses	(321,360)	-
Gross Deferred Tax Liability	4,740,707	2,814,969
<b>TOTAL</b>	<b>4,740,708</b>	<b>2,814,969</b>

06 Long-Term Provisions:

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Long-Term	Short-Term
	Long-Term	Short-Term		
Other Provisions				
Audit Fees Payable	-	229,000	-	200,000
Current Tax Provision (net of advance tax and TDS)	-	869,023	-	-
TDS Payable	-	198,333	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,296,356</b>	<b>-</b>	<b>200,000</b>

07 Short-Term Borrowings:

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
Loans Repayable on Demands - From Banks		
Working Capital Loans - Secured (Sub Note -1)	132,385,443	148,235,523
	132,385,443	148,235,523
The above amount includes		
Secured Borrowings	132,385,443	148,235,523
<b>TOTAL</b>	<b>132,385,443</b>	<b>148,235,523</b>

Sub Note : 1

i) BOB C.C. Loan outstanding as on March 31, 2016 is secured against Hypothecation of Stock and Book Debts sanctioned, factory Land & Building, Plant & Machinery situated at block no. 207, Village -Santej, Taluka Kalol, District-Gandhinagar, at the rate of 12.15% and directors have given their personal guarantee for the Loan.

08 Trade Payables:

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
Sundry Creditors for Goods	172,111,125	73,682,682
Sundry Creditors for Capital Goods	-	3,797,050
Sundry Creditors for Expenses	3,360,469	3,275,210
<b>TOTAL</b>	<b>175,471,594</b>	<b>80,754,942</b>

Sub Note: Trade Payable as on March 31, 2016 is taken as certified by management.

09 Other Current Liabilities:

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
Current Maturities of Long Term Loans (Note : 4) (Sub Note : 1)	646,054	581,837
	<b>646,054</b>	<b>581,837</b>
Other Payables		
Other Taxes Payable	-	5,597,241
Advance received from customers (Sub Note : 2)	49,197,754	2,140,157
	49,197,754	7,737,398
<b>TOTAL</b>	<b>49,843,808</b>	<b>8,319,235</b>

Sub Note : 1

(i) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to ₹ 2,100,000/- repayable in 60 installments of ₹ 44,750/- starting from August 05, 2014.

(ii) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to ₹ 1,300,000/- repayable in 60 installments of ₹ 27,720/- starting from July 05, 2014.

Sub Note : 2

Advanced received from customer as on March 31, 2016 is taken as certified by the management. No security have been given on the same.



10 Short-Term Provisions:

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions				
Audit Fees Payable	-	229,000	-	200,000
Current Tax Provision (net of advance tax and TDS)	-	869,023	-	-
TDS Payable	-	198,333	-	-
<b>TOTAL</b>	-	<b>1,296,356</b>	-	<b>200,000</b>

Sub Note: Short-Term provisions includes amount provided based on the management estimation.

**11 Fixed Assets as at 31st March 2016**

	Description of Assets	Useful life (In Years)	Shift Operated	Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block
				Balance as at 01.04.2015	Additions during the period	Deletions during the period	Balance as at 31.03.2016	Balance as at 01.04.2015	Provided during the period	Deletions during the period	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
A)	Tangible Assets												
(a)	Own Assets												
	Buildings												
	Factory at Santej	30.00	Single	6,212,006	-	-	6,212,006	1,046,323	197,625	-	1,243,948	4,968,058	5,165,683
	Bandhu Samaj	30.00	Single	7,676,750	-	-	7,676,750	711,123	259,280	-	970,403	6,706,347	6,965,627
	Shed at Rakhial	30.00	Single	1,177,190	-	-	1,177,190	154,759	41,805	-	196,564	980,626	1,022,431
	Shed at Jagannath Estate	30.00	Single	173,610	-	-	173,610	10,377	5,655	-	16,032	157,578	163,233
	Golden Estate D7 to D9	60.00	Single	10,317,241	-	-	10,317,241	-	157,225	-	157,225	10,160,016	10,317,241
				25,556,797	-	-	25,556,797	1,922,582	661,590	-	2,584,172	22,972,625	23,634,215
	Plant & Machinery												
	Plant & Machinery	15.00	Single	14,802,036	-	-	14,802,036	3,328,965	1,014,395	-	4,343,360	10,458,676	11,473,071
	Analytical Machine	15.00	Single	1,012,099	-	-	1,012,099	286,464	71,773	-	358,237	653,862	725,635
	Plant & Machinery - Lunej	15.00	Single	28,181,921	-	-	28,181,921	1,338,603	1,816,730	-	3,155,333	25,026,588	26,843,318
				43,996,056	-	-	43,996,056	4,954,032	2,902,897	-	7,856,930	36,139,126	39,042,024
	Furniture & Fittings												
	Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	6,457	1,957	-	8,414	7,190	9,147
				15,604	-	-	15,604	6,457	1,957	-	8,414	7,190	9,147
	Office Equipment												
	Air Conditioner	5.00	Single	81,600	-	-	81,600	41,048	15,555	-	56,603	24,997	40,552
	Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735
	Mobile Phones	5.00	Single	73,674	18,174	-	91,848	45,650	14,931	-	60,581	31,267	28,024
				169,974	18,174	-	188,148	100,663	30,486	-	131,149	56,999	69,311
	Motor Vehicles												
	Motor Car	8.00	Single	5,407,291	-	785,365	4,621,926	1,241,795	652,966	671,795	1,222,966	3,398,960	4,165,496
	Other Vehicles	10.00	Single	128,698	-	-	128,698	55,564	12,241	-	67,805	60,893	73,134
				5,535,989	-	785,365	4,750,624	1,297,359	665,207	671,795	1,290,771	3,459,853	4,238,630

B)	Computers and Data Processing Units												
	Computers and Printer	3.00	Single	470,191	-	-	470,191	425,706	21,759	-	447,465	22,726	44,485
				470,191	-	-	470,191	425,706	21,759	-	447,465	22,726	44,485
	Land	-	-	5,555,555	-	-	5,555,555	-	-	-	-	5,555,555	5,555,555
	Total (A)	-	-	81,300,166	18,174	785,365	80,532,975	8,706,799	4,283,897	671,795	12,318,901	68,214,074	72,593,367
	Capital Work In Progress												
	Capital Work In Progress												
	Bandhu Samaj	-	-	2,102,746	4,155,681	-	6,258,427	-	-	-	-	6,258,427	2,102,746
	Factory Shed	-	-	2,852,306	-	-	2,852,306	-	-	-	-	2,852,306	2,852,306
	Elite Flats	-	-	3,067,883	-	-	3,067,883	-	-	-	-	3,067,883	3,067,883
	Golden Estate D11 to D20	-	-	10,317,241	-	-	10,317,241	-	-	-	-	10,317,241	10,317,241
	Golden Estate H15 to H16	-	-	2,330,600	-	-	2,330,600	-	-	-	-	2,330,600	2,330,600
	Golden Estate H3 to H4	-	-	2,330,600	-	-	2,330,600	-	-	-	-	2,330,600	2,330,600
Sindh Bank	-	-	12,190,850	-	-	12,190,850	-	-	-	-	12,190,850	12,190,850	
Total (B)	-	-	35,192,226	4,155,681	-	39,347,907	-	-	-	-	39,347,907	35,192,226	
Grand Total (A+B)	-	-	116,492,392	4,173,855	785,365	119,880,882	8,706,799	4,283,897	671,795	12,318,901	107,561,981	107,785,593	

**Note 1:**

Company had started its plant at Lunej, Khambhat in July, 2014 in a premise which was taken on rent. Initially, the promoters of the company were intending to purchase the whole plant including land & building but there was problem in the clearance of title deed. Therefore, the company entered into a rent agreement with the seller for using the said premise for a period of 11 months and to acquire the plant later on when the title is cleared in the name of the seller. The company invested approximately Rs. 3.00 Crores in plant & machineries for commencing its business activities. As the seller could not clear property title in his name even after completion of a year and it was apparent that seller was delaying the sale process unnecessarily, Company decided to leave the project and shut down plant. Company carried out its last transaction in June 2015 and since then Company has neither done any manufacturing nor carried out any sale transaction in business. During period from July 2014 to June 2015, company made total turnover of Rs. 83.29 Lacs (approx) and Company realized the amount of Rs. 74 Lacs (approximately). At present plant is in the possession of Land Owner and Company is planning to sold out its all assets related with plant as it is not viable for the company to do the business. In June 2015 plant possession was taken by the land owner and stocks of Rs. 9.00 Lacs (approximately) were lying in the factory. At present plant is not working but company is regularly filing its Excise Return.

12 Loans and Advances:

Particulars	As At 31-Mar-16		As At 31-Mar-15	
	Amount In ₹		Amount In ₹	
	Long-Term	Short-Term	Long-Term	Short-Term
Security Deposit				
Unsecured Considered good (Sub Note : 1)	2,486,099	-	1,526,372	-
	2,486,099	-	1,526,372	-
Loans and advances to related parties				
Secured considered good	-	-	-	-
	-	-	-	-
Other Loans and Advances				
Advances given to suppliers (Sub Note : 2)	-	11,750,010	-	47,147,036
Cenvat Receivable (Secured)	-	5,239,859	-	4,634,550
Other Advance (Sub Note : 3)	2,769,658	2,583,000	3,019,658	685,380
Other Receivables (Sub Note : 4)	-	7,171,126	-	-
Prepaid Insurance	-	34,327	-	-
TCS/TDS Receivable (Secured)	-	7,703	-	8,990
VAT Receivables (Secured)	-	547,999	-	1,030,820
	2,769,658	27,334,024	3,019,658	53,506,776
<b>TOTAL</b>	<b>5,255,757</b>	<b>27,334,024</b>	<b>4,546,030</b>	<b>53,506,776</b>

**Sub Note : 1**

Security deposit given includes deposit with Uttar Gujarat Vij Company Limited, Torrent Power Limited and State government.

**Sub Note : 2**

Advanced given to suppliers as on March 31, 2016 is taken as certified by the management. No security has been taken on the same.

**Sub Note : 3**

Long Term Other Advances given includes advances towards VAT and CST deposit and advances towards Purchase of Property, are considered good.

Short Term Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good.

**Sub Note : 4**

Other Receivables includes advances given or amount to be realized towards Purchase License, SAD Receivables and Advance given for short term etc.

13 Inventories:

Particulars	As At 31-Mar-16	As At 31-Mar-15
	Amount In ₹	Amount In ₹
Valued at Cost or NRV whichever is Less		
Raw Material	23,241,719	18,209,979
Finished Goods	9,975,957	4,196,682
Traded Goods	979,483	721,332
Work In Progress	1,964,430	4,278,756
<b>TOTAL</b>	<b>36,161,589</b>	<b>27,406,749</b>

**Sub Note:**

Inventories as on March 31, 2016 has been taken as certified by management. The same have been physically verified as on March 31, 2016.

14 Trade Receivables:			
Particulars	As At		As At
	31-Mar-16		31-Mar-15
	Amount In ₹		Amount In ₹
Unsecured and considered good			
Exceeding six months		3,333,295	2,707,091
Others		351,912,698	226,908,102
<b>TOTAL</b>		<b>355,245,993</b>	<b>229,615,193</b>

**Sub Note:**

Amounts receivable from Debtors as on March 31, 2016 taken as certified by management and considered good.

15 Cash and Cash Equivalent:			
Particulars	As At		As At
	31-Mar-16		31-Mar-15
	Amount In ₹		Amount In ₹
Balance with Banks		2,135,531	1,229,708
Balance with Banks (Subsidiary Companies)		65,797	29,446
Cash In Hand		1,934,486	124,148
<b>TOTAL</b>		<b>4,135,814</b>	<b>1,383,302</b>

16 Short Term Loans and Advances:			
Particulars	As At		As At
	31-Mar-16		31-Mar-15
	Amount In ₹		Amount In ₹
Short Term Loans and Advances - (Note : 13)		27,334,024	53,506,776
<b>TOTAL</b>		<b>27,334,024</b>	<b>53,506,776</b>

**Sub Note :**

(i) Advanced given to suppliers as on March 31, 2016 is taken as certified by the management. No security has been taken on the same.

(ii) Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good.

(ii) Other Receivables includes advances given or amount to be realized towards Purchase License, SAD Receivables etc.

17 Revenue from Operations:			
Particulars	As At		As At
	31-Mar-16		31-Mar-15
	Amount In ₹		Amount In ₹
Sale of Products			
Revenue from sale of products		1,469,384,537	1,392,943,297
Sale of Services			
Revenue from Job Work		493,982	27,360
Other operating Revenues			
Packing and Forwarding		432,429	356,361
Quality Claim		1,287,452	-
Gross Revenue from Operations		1,471,598,400	1,393,327,018
Less: Adjustments			
Returns on revenue from sale of products		-	1,864,110
<b>TOTAL</b>		<b>1,471,598,400</b>	<b>1,391,462,908</b>

18	Excise Duty:		
	Particulars	As At	As At
		31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹	
	Excise duty on sales	50,091,341	66,933,093
	<b>TOTAL</b>	<b>50,091,341</b>	<b>66,933,093</b>

19	Other Income:		
	Particulars	As At	As At
		31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹	
	Interest Income	581,983	88,624
		<b>581,983</b>	<b>88,624</b>
	Other Non-Operating Income		
	Custom Duty Refund	-	647,726
	Gain / Loss on Foreign Exchange	15,295	-
	Rent Income	36,000	-
	Profit on Sale / Purchase of License	658,378	291,802
	<b>TOTAL</b>	<b>1,291,656</b>	<b>1,028,152</b>

20	Cost of Material Consumed:		
	Particulars	As At	As At
		31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹	
	Inventory at the beginning		
	Raw Material	18,209,979	26,070,665
	Add: Purchases		
	Raw Material	396,256,554	503,822,373
	Less: Inventory at the end		
	Raw Material	23,241,719	18,209,979
	<b>TOTAL</b>	<b>391,224,814</b>	<b>511,683,059</b>

21	Purchase of Stock-In-Trade / Labour:		
	Particulars	As At	As At
		31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹	
	Purchase of Stock-In-Trade	920,433,780	561,152,205
	Labour Purchase	9,441,294	4,609,668
	<b>TOTAL</b>	<b>929,875,074</b>	<b>565,761,873</b>

22 Changes In Inventories:

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Inventory at the end of the year		
Finished Goods	9,975,957	4,196,682
Work-In-Progress	1,964,430	4,278,756
Traded Goods	979,483	721,332
	12,919,870	9,196,770
Inventory at the beginning of the year		
Finished Goods	4,196,682	6,930,322
Work-In-Progress	4,278,756	-
Traded Goods	721,332	128,045,783
	9,196,770	134,976,105
(Increase)/Decrease in Inventories		
Finished Goods	(5,779,275)	2,733,640
Work-In-Progress	2,314,326	(4,278,756)
Traded Goods	(258,151)	127,324,451
<b>TOTAL</b>	<b>(3,723,100)</b>	<b>125,779,335</b>

23 Employee Benefit Expenses:

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Salaries and Wages		
Bonus Expenses	95,530	-
Director's Remuneration	3,600,000	3,600,000
Salary and Wages	1,933,261	1,385,504
	5,628,791	4,985,504
Contribution to Provident Fund and other Funds		
Contribution to Provident Fund and other Funds	342,319	163,176
	342,319	163,176
Staff Welfare Expenses	128,745	147,990
<b>TOTAL</b>	<b>6,099,855</b>	<b>5,296,670</b>

24 Finance Costs:

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Interest Expenses		
Interest on Short-Term Loans from Banks	17,549,900	18,740,429
Interest on Short-Term Loans from Others	-	65,249

Interest on Long-Term Loans from Banks	287,803	206,144
	17,837,703	19,011,822
Other Borrowing Costs		
Other Borrowing Costs	1,692,897	7,028,125
	1,692,897	7,028,125
<b>TOTAL</b>	<b>19,530,600</b>	<b>26,039,947</b>

25 Other Expenses:

Particulars	As At	As At
	31-Mar-16	31-Mar-15
	Amount In ₹	Amount In ₹
Business & Sales Promotion Expenses	575,345	-
Conveyance Expenses	268,006	354,550
Clearing and Forwarding Expenses	6,265,681	3,216,456
Custom Duty Expenses	31,272,975	38,296,505
Factory Expenses	267,615	513,236
Freight Expenses	4,120,976	6,620,541
Income Tax Expenses	293,983	-
Indirect Tax Expenses	433,111	1,256,981
Insurance Expenses	126,614	64,917
Labour Expenses	2,342,413	3,993,563
Loading & Unloading Expenses	826,743	813,847
Membership Expenses	91,195	-
Office Expenses	59,583	65,644
Other Expenses	-	478,400
Postage & Courier Expenses	12,963	3,841
Power & Fuel Expenses	12,893,152	16,551,718
Printing & Stationary Expenses	47,442	37,517
Professional Fees Expenses	2,047,418	621,346
Professional Tax Expenses	33,980	23,600
Profit/Loss on Sale of Fixed Assets	571	(414)
Rate Difference and Sundry Balances written off	1,101,057	(964,066)
Rent Expenses	65,304	2,357,000
Repairing & Maintenance Expenses	402,445	1,032,836
ROC Expenses	116,030	1,800
Security Expenses	144,234	210,227
Store Purchase Expenses	2,355,781	3,035,787
Telephone Expenses	258,898	255,382
Travelling Expenses	88,269	113,590
<b>TOTAL</b>	<b>66,511,784</b>	<b>78,954,804</b>

26 Earning Per Share:

Particulars	As At	As At
	31-Mar-16	31-Mar-15



	Amount In ₹		Amount In ₹	
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
Basic Profit after Tax (A)	4,362,053	4,362,053	7,296,236	7,296,236
Weighted average number of shares outstanding (B)	7,738,100	7,738,100	7,738,100	7,738,100
Basic EPS (A)/(B)	0.56	0.56	0.94	0.94
Diluted EPS (A)/(B)	0.56	0.56	0.94	0.94
Face Value per Share	10.00	10.00	10.00	10.00

- 27 Trade Receivables, Trade Payables, Loans & Advances and Unsecured Loan have been taken at Book Value subject to confirmations and reconciliation.
- 28 Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- 29 Excise Duty has not taken into account for valuation of finished goods looking at factory site in view of accounting policy no. The same has no impact on statement of Profit & Loss.

30 Related Party Disclosures:

30.1 Related Parties & their Relationship

Sr. No.	Name of Related Parties <sup>##</sup>	Relationship
(i)	Satish Asamal Mehta	Managing Director
(ii)	Asamal Siremal Mehta	Director
(iii)	Jayesh Asamal Mehta	Director
(iv)	Harish Asamal Mehta	Director

30.2 Transactions with Related Parties

Particulars	Nature of Transaction	Amount (In ₹)
Satish Asamal Mehta	Director Remuneration	900,000
Asamal Siremal Mehta	Director Remuneration	900,000
Jayesh Asamal Mehta	Director Remuneration	900,000
Harish Asamal Mehta	Director Remuneration	900,000

<sup>##</sup>Only those related party names are mentioned with whom transactions took place during the year.

- 31 All assets and Liabilities are presented as Current or Non-Current as per criteria set out in Schedule - III to the Companies Act, 2013 as notified by Ministry of Corporate Affairs. Based on the nature of operation of the company and realization from the trade receivables, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current / Non Current classification of assets and liabilities.

- 32 The SSI Status of the creditors is not known to the company; hence the information is not given.

33 Capacity of Plant:

Class of Goods	UOM	Installed Capacity
Copper & Brass Items	MT	2400

34 Segment Reporting:

The Company have not any business segment or geographical segment other than the one i.e. Dealing in Metal. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

35 Payment to Auditor as:

Sr. No.	Auditor	2015-16	2014-15
i)	Statutory Audit	157,500	150,000
ii)	Tax Audit	42,500	20,000
iii)	Company Law matter	-	30,000

36 Previous year's figures have been regrouped and rearranged wherever necessary.

37 As informed to us, the Contingent Liability is NIL.

**For Piyush J. Shah & Co.**

**For SagarDeep Alloys Limited**

**FRN : 121172W**  
**Chartered Accountants**

**Satish Asamal Mehta**      **Bhavik R. Somani**  
**Chairman & Managing**      **Chief Financial Officer**  
**Director**  
**DIN - 01958984**

**Piyush J. Shah**  
**Partner**  
**M.No. : 108670**

**Asamal Siremal Mehta**      **Dileep Panchal**  
**Whole time Director**      **Company Secretary**  
**DIN -0190067**

**Place : Ahmedabad**  
**Date : 13<sup>th</sup> August, 2016**

**Statement relating to Information on Financial Statement of Subsidiary Company**

<b>Sr No.</b>	<b>Particulars</b>	
1	Name of Subsidiary	Sagardeep Engineers Private Limited
2	Reporting Period	01 <sup>st</sup> April to 31 <sup>st</sup> March
3	Reporting Currency	INR
4	Country	India
5	Capital	1,43,00,000/-
6	Reserves	3,68,12,645/-
7	Total Assets	17,61,50,764/-
8	Total Liabilities	13,15,13,119/-
9	Total Investments	64,75,000/-
10	Turnover/Total Income	14,86,45,171/-
11	Profit Before Tax	6,17,279/-
12	Provision for Taxation	1,94,070/-
13	Profit After Taxation	4,23,309/-
14	Proposed Dividend	Nil

**\*ATTENDENCE SLIP\***

**SAGARDEEP ALLOYS LIMITED**

**(CIN: L29253GJ2007PLC050007)**

**205, PITTALAYA BUMBA, NR MADHURAM CINEMA, GHEE KANTA, AHMEDABAD-01,  
GUJARAT**

DPID/ CLIENT ID: \_\_\_\_\_

Registered Folio No.: \_\_\_\_\_

No of Shares: \_\_\_\_\_

Name(s) and address of the Shareholders/Proxy in Full:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*I, Certify that I am a Shareholder/ Proxy of the Shareholder of the Company. I/We hereby accord my/our presence at the **9<sup>th</sup> Annual General Meeting** of the Company being held on Friday, September 30, 2016 at 11.00 AM at the registered office of the Company at 205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad -380001.*

\_\_\_\_\_  
*Signature of Shareholder/ Proxy*

NOTE: Please fill in the Attendance Slip and hand it over at the entrance of the Hall.

**FORM MGT-11**

*Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**PROXY FORM**

Name of member(s):	Email Id:
Registered Address:	Folio No/Client Id:
	DP Id:

I/We, being a member(s) of \_\_\_\_\_ shares of Sagardeep Alloys Limited, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him
  
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him
  
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/ us on my / our behalf at the 9<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at the Registered office of the company situated at 205, Pittalaya Bumba, Nr. Madhura Cinema, Gheekanta, Ahmedabad – 380001 and any adjournment thereof in respect of such resolutions as are indicated below:

<b>RESOLUTION</b>		<b>Optional</b>	
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Audited Financial Statement (both Standalone & Consolidated ) of the Company for the financial year ended March 31, 2016, the reports of Board of Directors and Auditors thereon		
2	To appoint Director in place of Mr. Jayeshkumar A Mehta (DIN:02156140) who retires by rotation and being eligible, offers himself for re-appointment		
3	To appoint Statutory Auditors of the Company to hold office from conclusion of 9 <sup>th</sup> AGM until the conclusion of 14 <sup>th</sup> AGM		
<b>Special Business</b>			
4	Approval of re-appointment of Mr. Satishkumar A Mehta as a Chairman & Managing Director		
5	Approval of re-appointment of Mr. Jayeshkumar A Mehta as a Whole Time Director		
6	Approval of re-appointment of Mr. Asamal S Mehta as a Whole Time Director		
7	Approval of re-appointment of Mr. Harish A Mehta as a Whole Time Director		
8	Ratification of remuneration of Cost Auditor of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016 Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

\*\* This is only optional. Please put 'X' in the appropriate Column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' Column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

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**SAGARDEEP ALLOYS LIMITED**  
**(CIN: L29253GJ2007PLC050007)**  
**205, PITTALAYA BUMBA, NR MADHURAM CINEMA, GHEE KANTA, AHMEDABAD-01, GUJARAT**

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