

Date: 29.08.2019

To,
The Secretary
Bombay Stock Exchange Limited
25th Floor, Phiroz Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir/Madam,

Subject: Submission of Annual Report as per Regulation 34 of SEBI (Listing Obligation And Disclosure requirements) Regulations, 2015.

Ref: BSE Security Code 540393

Please find enclosed the Annual report for the Financial Year 2018-19 as required under Regulation 34 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 duly approved and adopted as per the provisions of the Companies Act, 2013.

This is for your information and record.

Kindly acknowledge the receipt.

Thanking You,

Yours faithfully,

For Sarthak Metals Limited



Itika Singh

Compliance Officer & Company Secretary



SARTHAK METALS LIMITED

(Formerly : Sarthak Metals Marketing Private Limited)



ANNUAL REPORT

2018-19

BOARD OF DIRECTORS

| | |
|---------------------------------|--|
| Mr. Anoop Kumar Bansal | Chairman and Managing Director |
| Mr. Mayur Bhatt | Whole Time Director |
| Mr. Sanjay Shah | Whole Time Director |
| Mr. Chetan Kumar | Non-Executive Independent Director |
| Mrs. Rama Kohli | Non-Executive Independent Director |
| Mr. Kishore Kumar Bansal | Non-Executive Non-Independent Director |

CHIEF FINANCIAL OFFICER

Mr. Anirudh Singhal

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Itika Singhal

STATUTORY AUDITORS

Begani & Begani
Chartered Accountants
2nd Floor, C- 34/1,
Tagore Nagar,
Raipur (C.G.)- 492001

24th ANNUAL GENERAL MEETING

DAY, DATE, TIME
Wednesday, 28th August 2019 at 11 A.M.

BANKERS

State Bank of India
ICICI Bank Limited
Axis Bank

ANNUAL GENERAL MEETING VENUE

B.B.C. Colony, G.E. Road, Khursipar,
Bhilai – 490011, Chhattisgarh, India

REGISTERED OFFICE

B.B.C. Colony, G.E. Road, Khursipar
Bhilai – 490011,
Chhattisgarh, India

BOOK CLOSURE

21st August 2019 to
28th August 2019

REGISTRAR & TRANSFER AGENT

Big Share Services Private Limited
1st Floor, Bharat Tin Works Building, Opposite
Vasant Oasis Apartments (Next to Keys Hotel),
Marol Maroshi Road, Andheri East, Mumbai-400059

WEBSITE

www.sarthakmetals.com

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Chairman's Message

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the Financial Year 2019. Your company has maintained its double digit growth rate even in the trying times of the Steel Industry due to excellent goodwill with steel plants and agile strategy of the top management to pivot at a short notice. During the year your company saw a 10.37% growth in revenues from FY 2018. The growth has been from our old customers and also increase in exports.

You will be pleased to know that your company's exports have grown by 78% in FY 2018-19. This clearly shows how much confidence developed country's steel plants are placing in your company's products. We hope to gain more market share in the world market due to the Indian manufacturing competitive advantage, Make in India.

Your company has a healthy EBIDTA margin of 7.11% while increasing the revenues which has led to increase in absolute EBITDA by 13.47%. The EPS & PAT of FY 2019 have increased by 21.20% compared to FY 2018. The Profit After Tax stood at ₹ 5.76 Crores up from Rs 4.75 Crores last year on net sales of ₹ 190.83 Crores against ₹ 172.90 Crores last year.

Your company did its best production ever in FY 2018-19 in terms of quantity. The Aluminum wire rod plant came online in Feb 2019 and your company has already got confirmed orders from steel plants, despite us being new to the product. This clearly shows the confidence steel plants place when procuring critical items from your company. With this aluminum wire rod plant, your company expects to reduce raw material cost in its already established market. With these reduced costs, coupled with your company's brand name, we expect to get larger market share in the aluminum wire rod business.

I express my sincere gratitude to all fellow Directors for their invaluable contribution through their continuous guidance and encouragement, which have been momentous for the success of the company. I would also like to thank all our employees for their hard work, dedication and strong commitment towards our company.

I finally thank all of you, the stakeholders, for your continued patronage and trust in the management of your company. I assure you that we are committed to building a company, which we all shall be proud of.

sd/-
ANOOP KUMAR BANSAL
Managing Director
DIN:01661844
Sarthak Metals Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the members of Sarthak Metals Limited will be held on Wednesday, 28th August 2019 at 11. A.M. at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt Audited Financial statement for the year ended 31st March 2019 with all annexures and attachments thereto including the Auditor's Report and the Directors' Report.
2. To declare dividend on equity shares for the financial year 2018-19.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass, with or without modification, the following resolution as a ORDINARY RESOLUTION:**

“RESOLVED THAT, pursuant to the provisions of section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the consent of the Members be and is hereby accorded to the revision in the remuneration of Mr. Manoj Kumar Bansal, related party holding office or place of profit, w.e.f 1st April 2019 as detailed in the Explanatory Statement.

RESOLVED FURTHER THAT, the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 to effect change in designation and responsibilities of the persons holding office or place of profit within the maximum limit approved by the shareholders.

RESOLVED FURTHER THAT, for the purpose of giving effect to the foregoing Resolution, Mrs. Itika Singhal, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority.”

Registered Office:

B.B.C. Colony, Khursipar, G.E. Road,

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

E-mail: cs@sarthakmetals.com, cfo@sarthakmetals.com

website: www.sarthakmetals.com

By Order of the Board of Directors

Sarthak Metals Limited

Itika Singhal

Sd/-

Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.**
2. **A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
3. The Explanatory statement for the proposed resolutions under Item No. 3 pursuant to section 102 of the Companies Act, 2013 read with section 110 of the Companies Act, 2013 setting out material facts are annexed herewith.
4. The attendance slip cum Proxy Form is placed at the end of this Annual Report.
5. Pursuant to the provision of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 21st August 2019 to Wednesday, 28th August 2019. (both days inclusive).
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting
7. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter shall be transferred to the Investor Education and Protection Fund (IEPF).
8. Members / Proxies attending the Meeting are requested to bring their copies of Annual Report together with attendance slip duly completed and signed along with Client ID and DP ID numbers.
9. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
10. The Ministry of Corporate Affairs has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore, you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in DEMAT through their respective Depository Participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.
11. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:
Big Share Services Private limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments (Next to Keys Hotel),
Marol Maroshi Road, Andheri East, Mumbai 400059
12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The same should be availed through respective depository.
13. The Notice of 24thAGM along with the attendance slip and proxy form are being sent via electronic mode (to shareholders having their email IDs registered with the Company/Depository Participants) and in physical mode (to shareholders not having their email IDs registered with the Company/ Depository Participants).
14. The Company, being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 is not required to provide remote e-voting facility to its members.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders is also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 21st May 2019 had consented for increase of remuneration payable to Mr. Manoj Kumar Bansal (related parties holding office or place of profit) w.e.f. 1st April 2019, subject to approval of the Shareholders by way of an Ordinary Resolution.

The details of the increased remuneration are given below.

Name of Related Parties: Mr. Manoj Kumar Bansal

Name of the Director or KMP who is related: Mr. Anoop Kumar Bansal

Mr. Kishore Kumar Bansal

Nature of Relationship: Brother of Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal

Designation: Promoter and Plant Head

Monthly Remuneration payable individually w.e.f. 1st April 2019:

- Basic Salary: Rs 300,000/- (Rupees Three Lakh Only) P.M. (Proposed Increase from Rs. 200,000/- P.M to 300,000/- PM)
- Perquisites u/s 17(2) of the Income Tax Act, 1961- Rs. 250,000/-
- Bonus- Rs. 200,000/-
- Your Directors recommends the resolutions for your approval.
- Mr. Anoop Kumar Bansal, Managing Director and Mr. Kishore Kumar Bansal, Non- Executive Non- Independent Director being relative are deemed to be interested or concerned in the respective offices.

Registered Office:

B.B.C. Colony, Khursipar, G.E. Road,

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

E-mail: cs@sarthakmetals.com, cfo@sarthakmetals.com

website: www.sarthakmetals.com

By Order of the Board of Directors
Sarthak Metals Limited
Itika Singhal

Sd/-
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 24th Annual Report of SARTHAK METALS LIMITED along with the Audited Financial Statements for the year ended 31st March 2019.

FINANCIAL SUMMARY/HIGHLIGHTS

Our Company's financial performance for the year under review has been encouraging and is summarized below:

(Rs in Lacs)

| Particulars | Current Year as on 31.03.2019 | Previous Year as on 31.03.2018 |
|------------------------------------|-------------------------------|--------------------------------|
| Total Income | 190,82.67 | 172,90.17 |
| Less: Expenditure & Depreciation | 182,71.69 | 165,75.70 |
| Profit before Tax (PBT) | 805.34 | 702.88 |
| Less: Tax (including deferred tax) | 229.00 | 227.29 |
| Profit After Tax (PAT) | 576.34 | 475.58 |

PERFORMANCE REVIEW

Iron & Steel sector has seen positive results in the past financial year after many years of poor performance. This is mainly due to two reasons, first being higher budget allocation by Central Government on infrastructure expenditure and measures to stop cheap steel imports from China. Overall it has been a good year for your company. Our revenues have increased by 10.37% and EBIDTA increased by 13.47%. Earnings per share have also increased by 21.20%. The growth has been steady despite many other players entering the market. We have been able to show good performance due to our client's trust in our product and their readiness to pay a premium for the same.

DIVIDEND

The Board consider that the profits of the company are attributed to the trust of the shareholders in the management of the Company. Accordingly, the board proposed to declare a dividend of 5% per equity share and the same has been placed for approval of shareholders of the company in the forthcoming Annual General Meeting (AGM). During the year under review, the Board in its meeting held on 21st May 2019 has recommended an amount of Rs. 68,44,875 as proposed dividend. The above proposal has been recommended by the Board of Directors of the Company which needs to be approved by the shareholders at ensuing Annual General Meeting.

RESERVES

The Company has not transferred any amount to the Reserves during the financial year.

SHARE CAPITAL

The Paid-up Equity share capital of the Company as on 1st April, 2018 was Rs. 13,68,97,500 divided into 1,36,89,750 Equity Shares of Rs 10/- each. No change was made during the year. The equity share capital thus, as on 31/03/2019 was Rs. 13,68,97,500.

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached in Annexure C appended to the Director's Report. The same is also placed on the website of the Company www.sarthakmetals.com

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is as per the Listing Regulations and provisions of the Companies Act, 2013. There was no change in the composition of the Board during the year under review.

Presently, the composition of the Board is six Directors, led by Chairman and Managing Director with two Whole- Time Director, two Non- Executive Independent Director and one Non- Executive Non- Independent Director.

MANAGEMENT DISCUSSION AND ANALYSIS:

As required by Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Management Discussion & Analysis Report forms part of the Annual Report.

REPORT ON CORPORATE GOVERNANCE:

Sarthak Metals Limited is listed on SME Exchange of BSE, the requirement of Corporate Governance as notified in Regulation 15 (2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 not applicable; therefore it is not required to maintain Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company under Section 149 (7) of Companies Act, 2013 confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & INDIVIDUAL DIRECTOR

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was led by Nomination & Remuneration Committee, the evaluation was done using individual interviews covering amongst other vision, strategy and role clarity of the Board. Board dynamic and processes, contribution towards development of the strategy, risk management, budgetary controls, receipt of regular inputs and information, functioning, performance & structure of Board Committees, ethics & values, skill set, knowledge & expertise of Directors, leadership etc.

As part of the evaluation process the performance of non- independent Directors, the Chairman and the Board was done by the Independent Directors. The performance evaluation of the respective Committees and that of independent and non-independent Directors was done by the Board excluding the Director being evaluated. The Directors expressed satisfaction with the evaluation process.

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:

The Board members are provided with brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Chairman and Managing Director had one to one discussion with newly appointed Directors to familiarize them with the Company's operations. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory and regulatory changes are circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 4(Four) times in financial year 31st March, 2019 and as per section 173 of the Companies Act the time gap between anytwo Meetings has not been more than one hundred and twenty days. The dates on which the

Board Meetings were held on 29th May, 2018, 1st August, 2018, 13th November, 2018 and 16th March, 2019.

The name and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the Annual General Meeting, the member of Directorships and Committee Memberships and Chairpersonships held by them in other companies as on 31st March, 2019 are given below.

| Name of Directors | Category | No. of Board Meeting held and attend during the year | | No. of Directorship in other Public Company | No. of Committees positions held in other Public Companies* | | Attendance at last AGM held on 14/09/2018 |
|-----------------------------|--|--|--------|---|---|--------|---|
| | | Held | Attend | | Chairman | Member | |
| Mr. Anoop Kumar Bansal | Chairman & Managing Director | 4 | 4 | 0 | 0 | 0 | Yes |
| Mr. Kishore Kumar Bansal | Non-Executive Non-Independent Director | 4 | 4 | 0 | 0 | 0 | Yes |
| Ms. Rama Kohli [^] | Non-Executive Independent Director | 4 | 4 | 0 | 0 | 0 | Yes |
| Mr. Sanjay Shah | Whole Time Director | 4 | 4 | 0 | 0 | 0 | Yes |
| Mr. Mayur Bhatt | Whole Time Director | 4 | 4 | 0 | 0 | 0 | Yes |
| Mr. Chetan Kumar | Non-Executive Independent Director | 4 | 2 | 0 | 0 | 0 | Yes |

*Represents Memberships/Chairpersonships of Audit Committee & Stakeholders' Relationship Committee of public companies only.

[^]Designates as a Woman Director on Board.

As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

MEETINGS OF INDEPENDENT DIRECTORS:

The Company's Independent Directors shall meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to (i) review the performance of Non-Independent Directors and the Board as a whole, (ii) review the

performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and (iii) to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with the requirement of applicable laws and as part of the best governance practice, the Board has constituted various Committees of its members. These Committees hold meetings at such frequencies as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

Your Company currently has 4 (Four) Committees viz:

(a) AUDIT COMMITTEE

The Company has formed a qualified and Independent Audit Committee which acts as a link between the Statutory and Internal Auditors and the Board of Directors. The terms of reference of the Audit Committee cover the matters specified for Audit Committee in the SEBI Listing Regulations and Section 177 of the Companies Act, 2013

As on 31st March, 2019, the Audit Committee comprises of the following members-

- | | |
|-----------------------------|----------|
| 1. Mr. Chetan Kumar | Chairman |
| 2. Ms. Rama Kohli | Member |
| 3. Mr. Kishore Kumar Bansal | Member |

The Committee met 2 times during the year on 29th May, 2018 and 13th November 2018 and the attendance of Members at the Meetings.

| Name of Member | Nature of Membership | No. of Meeting(s) attended/held |
|--------------------------|----------------------|---------------------------------|
| Mr. Chetan Kumar | Chairman | 2/2 |
| Mrs. Rama Kohli | Member | 2/2 |
| Mr. Kishore Kumar Bansal | Member | 2/2 |

The Company Secretary of the Company is the Secretary of the Committee.

The Chairman of the Audit Committee of the Company was present at the last Annual General Meeting of the Company held on 14th September, 2019.

(b) NOMINATION & REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, a Nomination & Remuneration Committee of the Company has been constituted.

As on 31st March, 2019, the Nomination and Remuneration Committee comprises of the following members-

- | | |
|-----------------------------|----------|
| 1. Mr. Chetan Kumar | Chairman |
| 2. Ms. Rama Kohli | Member |
| 3. Mr. Kishore Kumar Bansal | Member |

The Committee met 1 time during the year on 13th November, 2018 and the attendance of Members at the Meetings is as follows:

| Name of Member | Nature of Membership | No. of Meeting(s) attended/held |
|--------------------------|----------------------|---------------------------------|
| Mr. Chetan Kumar | Chairman | 1/1 |
| Mrs. Rama Kohli | Member | 1/1 |
| Mr. Kishore Kumar Bansal | Member | 1/1 |

(c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted according to Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Committee ensures cordial investor relations and oversees the mechanism for redressal of investor grievances. The Committee specifically looks into redressing shareholders and investor complaints/ grievances pertaining to share transfers, non- receipts of annual reports, non- receipt of dividend and other allied complaints.

As on 31st March, 2019, the Stakeholders Relationship Committee comprises of the following members-

1. Mr. Chetan Kumar Chairman
2. Ms. Rama Kohli Member
3. Mr. Kishore Kumar Bansal Member

During the period under review, Company has not received any complaint from shareholders. There is no outstanding complaint as on 31st March, 2019.

The Company Secretary of the Company also acts as Compliance Officer of the Company.

(d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with provision of the Companies Act, 2013 and SEBI Listing Regulations, a Corporate Social Responsibility Committee of the Company has been constituted.

As on 31st March, 2019, the Corporate Social Responsibility Committee comprises of the following members-

1. Mr. Chetan Kumar Chairman
2. Ms. Rama Kohli Member
3. Mr. Kishore Kumar Bansal Member

The Committee met 2 times during the year on 29th May, 2018 and 13th November, 2018 and the attendance of Members at the Meetings is as follows:

| Name of Member | Nature of Membership | No. of Meeting(s) attended/held |
|--------------------------|----------------------|---------------------------------|
| Mr. Chetan Kumar | Chairman | 2/2 |
| Mrs. Rama Kohli | Member | 2/2 |
| Mr. Kishore Kumar Bansal | Member | 2/2 |

NOMINATION & REMUNERATION POLICY OF THE COMPANY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. Extract of Remuneration Policy from Nomination and Remuneration policy is attached as Annexure-A

ANALYSIS OF REMUNERATION

The details of remuneration paid to Directors and Key Managerial Personnel is given in extract of Annual return attached with this report.

Disclosure/details pursuant to provisions of Section 197 (12) of the Companies Act 2013 read with the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 are given as follows:

| Names and Positions | [A] Ratio of Directors' Remuneration to the median Remuneration of Employees | [B] Percentage (%) increase in Remuneration |
|--|---|--|
| MR. CHETAN KUMAR (INDEPENDENT DIRECTOR & CHAIRPERSON) | NIL | Not Applicable |
| MS. RAMA KOHLI (INDEPENDENT DIRECTOR) | NIL | Not Applicable |
| MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR) | 32.51 Times | No Change |
| MR. MAYUR BHATT (WHOLE TIME DIRECTOR) | 10.43 Times | No Change |
| MR. KISHORE KUMAR BANSAL (DIRECTOR) | NIL | No Change |
| MR. SANJAY SHAH (WHOLE TIME DIRECTOR) | 32.51 Times | No Change |
| MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER) | 7.36 Times | No Change |
| MRS. ITIKA SINGHAL (COMPANY SECRETARY) | 4.05Times | Increase by 10% |

The median remuneration of employees of the Company during the financial year was Rs. 81,523.50 p.a. Please note that only those persons who were employees as on 31st March 2019 have been considered for the calculation of the median salary. Further, no bonus payments have been considered for these calculations.

| | | |
|---|---|---|
| [C] Percentage increase in the median Remuneration of Employees | Decline of 26.62% | |
| [D] Number of permanent Employees on the rolls of Company | 212 as on 31st March 2019 | |
| [E] Explanation on the relationship between average increase in Remuneration and Company performance | Sales Increase – 10.37% EBITDA Increase – 13.47% PBT Increase – 14.58% PAT Increase – 21.20% EPS Increase – 21.20% Median Salary Decline – (26.62%) | |
| [F] Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company | The Remuneration of the Key Managerial personnel has remain unchanged and the company's turnover has increased by 10.37%. Further, the company's EPS has also increased by 21.20%. | |
| [G] Variations in the Market Capitalization of the Company as at 31st March, 2019 as compared to 31st March, 2018 | Decrease in market capitalization amounted to 30.49% from 31st March 2018 to 31st March 2019. | |
| [H] Price Earning Ratio as at 31st March, 2019 as compared to 31st March, 2018 | Increase of 21.20% | |
| [I] Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer | The company was listed as on 27th March 2017 at Rs 30 per equity share. The price per equity share on 31st March 2019 at closing bell was Rs 28.5 per share. The percentage decrease is 5%. | |
| [J] Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof | Median Salary of non managerial staff has declined by 26.62% and the average salary of managerial staff has no change. | |
| (K) Comparison of the each KMPs Remuneration vis-à-vis the performance of the Company | | |
| Name of KMP | Remuneration of KMP (Rs in Lacs) | Net Profit of Company after tax (Rs in Lacs) |
| Mr. Anoop Kumar Bansal (Managing Director) | 26.50 | 576.34 |
| Mr. Anirudh Singhal (Chief Financial Officer) | 6.50 | |
| Mr. Mayur Bhatt (Whole Time Director) | 8.50 | |
| Mr. Sanjay Shah (Whole Time Director) | 26.50 | |
| Ms. Itika Singhal (Company Secretary) | 3.30 | |
| (L) The key parameters for any variable component of remuneration availed by the directors | No | |
| (M) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year | Highest paid Directors Remuneration (I) Rs 26,50,000 | Remuneration of Ratio Employee receiving remuneration in excess of (I) 1.13 |

PARTICULARS OF EMPLOYEES

None of the employees of the Company is drawing remuneration, requiring disclosure of information under section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

REGULATORY ORDERS

During the year there was no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

WHISTLE BLOWER POLICY:

Pursuant to the Section 177(9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and Employees to report the management about the unethical behavior, fraud, improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints. The mechanism provides adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases.

STATUTORY AUDITORS

In accordance with the provisions of Section 139 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and such other applicable provisions, M/s Begani & Begani, (FRN-010779C), Statutory Audit Firm were appointed as Auditors of the Company to hold office from the conclusion of 22nd Annual General Meeting ('AGM') till the conclusion of the 27th AGM to 2022, at such remuneration including applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

AUDITORS' REPORT

The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The observations comments and notes of Auditor are self-explanatory and do not call for any further explanation/clarification

COST AUDITOR- NOT APPLICABLE

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s NILESH A. PRADHAN & CO. LLP, Company Secretaries (COP. No. 3659) to undertake the Secretarial Audit of the Company for the 31st, March, 2019.

The Secretarial Audit Report for the financial year ended 31st March 2019 is included as Annexure MR-3 and forms an integral part of this report.

Responses of your Directors on the observations made by the Secretarial Auditor are as follows:

Response to point No.1

The Company inadvertently could not file form MGT-14 for registration of resolution passed in the board meeting for board's report approval, the Company already applied for condonation of delay by filing Form CG-1 to make the Compliance in proper order.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company or Joint Venture Company or Associate Company.

CORPORATE SOCIAL RESPONSIBILITY

The details of the Corporate Social Responsibility Policy framed and activities carried out thereunder are required to be disclosed in the format prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given as Annexure-B.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There are no Loans, Investments or Guarantees/Security given by the Company during the year under section 186 of the Companies Act, 2013; hence no particulars are required to be given.

REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the mandatory Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India, have been complied with.

RISK MANAGEMENT POLICY:

During the year the Company reviewed and strengthened its risk management policy and the risk management framework which ensures that the Company is able to carry out identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

Kindly note that the format for disclosures of transactions with related party are mentioned in Annexure- E(AOC-2).

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

Management does not perceive any material changes occurred subsequent to the close of the financial year as on 31st March, 2019 before the date of report dated 26th July 2019, affecting the financial position of the Company in any substantial manner.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable. The Company is not energy intensive. Further, the Company's technology is indigenously developed and being constantly upgraded based on earnings of the promoters and employees.

(B) Foreign exchange earnings and Outgo:

| Particulars | As on 01.04.2018 (In Rs.) | As on 31.03.2019 (In Rs.) |
|---------------------------|---------------------------|---------------------------|
| Foreign exchange earnings | 24,21,80,995 | 43,00,17,221.20 |
| Foreign Exchange Outgo | 56,13,34,105 | 63,16,67,291.91 |

PUBLIC DEPOSITS

Your Company has not accepted, invited and/or received any deposits from public within the meaning of section 73 & 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014, as amended from time to time during the year under review.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS/SWEAT EQUITY SHARES/ EMPLOYEE STOCK OPTION SCHEME

At the beginning of the year, there were no Equity shares with differential voting rights or sweat equity shares or employee stock option scheme outstanding.

During the year, the Company has not issued any equity shares with differential voting rights or sweat equity shares or shares under employee stock option scheme. Hence, disclosures regarding the same are not required to be given.

DISCLOSURE ON COST RECORDS MAINTENANCE

The provisions with respect to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against losses from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The Company has an effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The auditors have also expressed their satisfaction on the adequacy of the internal control systems incorporated by your company.

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

The Company has in place a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with setting up of an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place. All women employees (permanent, temporary, contractual and trainees) are covered under this policy. The Company has not received any complaints during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to the Director's Responsibilities Statement, the Directors state and hereby confirm that:

(a) In the preparation of the annual accounts, 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the

financial year and of the profit and loss of the company for that period;

(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; and

(e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGMENTS:

The Board of Directors wish to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and looks forward to a continued mutual support and co-operation.

FOR SARTHAK METALS LIMITED

Sd/-

(ANOOP KUMAR BANSAL)

(DIN No. 01661844)

Chairman & Managing Director

Place: Bhilai, Chhattisgarh

Date: 26.07.2019

ANNEXURE: A

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:

- 1) To grant approval for formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- 2) To grant approval for formulation of criteria for evaluation of performance of independent Directors and the Board of Directors.
- 3) To grant approval for devising a policy on diversity of Board of Directors.
- 4) To approve and recommend to the Board of Directors appointment of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down as well as removal.
- 5) To grant approval whether to extent or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Annual Report on CSR Activities (Annexure- B)

| | | |
|----|---|---|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | Sarthak Metals Limited is keen to working towards providing education to the under privileged kids. In this endeavour, the company has associated itself with Shoshit Seva Sangh Foundation which operates a school in Patna for the Musahar (Rat Eating) Community of Bihar. The link of the website is http://sssfoundation.org . Sarthak Metals Limited is also committed to helping lesser privileged people in and around Bhilai, Chhattisgarh to have access to affordable medical facilities like dialysis. Bhagwan Mahavir Jain Relief Trust has set up a dialysis centre for the poor in Raipur. SML is committed towards providing affordable health and education in the state of Chhattisgarh and is working towards providing sustainable solutions for the same. |
| 2. | The composition of the CSR committee | Composition of the CSR Committee <ol style="list-style-type: none"> 1. Mr. Chetan Kumar- Chairman/ Non- Executive & Independent Director 2. Mrs. Rama Kohli- Member/ Non- Executive & Independent Director 3. Mr. Kishore Kumar Bansal- Member/ Non- Executive & Non- Independent Director |
| 3. | Average net profit of the company for last three financial years. | Rs 612.46 Lacs |
| 4. | Prescribed CSR Expenditure (two percent of the amount as in item 3 above) | Rs 12.25 Lacs |
| 5. | Details of CSR spent during the financial year: | |

| | | |
|-----|--|--|
| (a) | Total amount to be spent for the financial year | Rs 12.25 lacs +Rs 7.68 lacs (for FY 2018)= Rs 19.93 lacs |
| (b) | Amount unspent, if any | Rs 19.93- Rs 13.62= Rs 6.31 lacs |
| (c) | Manner in which the amount spent during the financial year is detailed below | Rs 13.62 lacs – Donation as per followings: |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|------------------------------------|--|---|--|--|---|---|
| Sl. No. | CSR project or activity Identified | Sector in which the Project is covered | Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken | Amount outlay (budget) project or programs wise (Amount in Rs.) | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in Rs.) | Cumulative expenditure upto the reporting period (as on 31.03.2019) | Amount spent: Direct or through implementing agency |
| 1. | Shoshit Seva Sangh Foundation | Affordable Education | BIHAR | Rs 4.80 Lacs | Rs 4.80 lacs | Rs 4.80 lacs | Direct |
| 2 | CRY | Affordable Education | CHHATTISGARH | Unplanned | Rs. 0.32 lacs | Rs. 0.32 lacs | Direct |
| 3 | Bhagwan Mahavir Jain Relief Trust | Affordable Health | CHHATTISGARH | Unplanned | Rs. 4.00 lacs | Rs. 4.00 lacs | Direct |

| | | |
|----|---|--|
| 6 | In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. | Section 135 of the Companies Act 2013 recommends that CSR expenditure by the Company should be preferably done in and around the area of it's operations. However, SML's CSR committee was unable to find any worthy cause inline with Companies causes. However, SML is committed to Affordable Health and Affordable Education in the state of Chhattisgarh and shall work towards the same. |
| 7. | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company. | YES |

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2019

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN :- **L51102CT1995PLC009772**
- ii) Registration Date:- **28/07/1995**
- iii) Name of the Company:-**SARTHAK METALS LIMITED**
- iv) Category / Sub-Category of :-Company Limited by Shares/Indian Non-Government Company
- v) Address of the Registered office and contact details: -B.B.C. Colony, G.E. Road, Khursipar ,Bhilai- 490011, Chhattisgarh
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments (next to Keys Hotel)
Marol Maroshi Road, Andheri East, Mumbai 400059
Tel: 91-22-40430200
Fax: 91-22-28475207
Email: ipo@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl.No. | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1 | Cored wires | 27184 | 65.44 |
| 2 | Aluminium Wire Flipping Coil | 27203 | 25.32 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

| Sr.No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|--------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| | NIL | | | | |

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01/04/2018 | | | | No. of Shares held at the end of the year i.e. 31/03/2019 | | | | % change during the year |
|---|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A.Promoters | - | - | - | - | - | - | - | - | - |
| (1) Indian | | | | | | | | | |
| Individual /HUF | 7,349,700 | - | 7,349,700 | 53.69% | 7,473,700 | - | 7,349,700 | 54.59% | 0.91% |
| Central Govt. | - | - | - | - | - | - | - | - | - |
| State Govt(s) | - | - | - | - | - | - | - | - | - |
| Bodies Corp | 901,250 | - | 901,250 | 6.58% | 933,250 | - | 933,250 | 6.82% | 0.23% |
| Banks/ FI | - | - | - | - | - | - | - | - | - |
| Any Other DIRECTORS RELATIVES | 1,229,000 | - | 1,229,000 | 8.98% | 1,229,000 | - | 1,229,000 | 8.98% | 0 |
| Sub-total (A) (1):- | 9,479,950 | - | 9,479,950 | 69.25% | 9,635,950 | - | 9,635,950 | 70.39% | 1.14% |
| (2) Foreign | | | | | | | | | |
| NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| Other - Individuals | - | - | - | - | - | - | - | - | - |
| Bodies Corp | - | - | - | - | - | - | - | - | - |
| Banks/ FI | - | - | - | - | - | - | - | - | - |
| Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding (A)=(A)(1)+ (A) (2) | 9,479,950 | - | 9,479,950 | 69.25% | 9,635,950 | - | 9,635,950 | 70.39% | 1.14% |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| Mutual Funds | - | - | - | - | - | - | - | - | - |
| Banks / FI | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|-----------------|---|-----------------|---------------|-----------------|---|-----------------|---------------|----------------|
| Central Govt. | - | - | - | - | - | - | - | - | - |
| State Govt(s) | - | - | - | - | - | - | - | - | - |
| Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Insurance Companies | - | - | - | - | - | - | - | - | - |
| FII's | - | - | - | - | - | - | - | - | - |
| Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub -Total B(1) | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| Bodies Corporate | 886000 | - | 886000 | 6.47% | 742000 | - | 742000 | 5.42% | (1.05)% |
| | | | | | | | | | |
| (Overseas) | 16000 | - | 16000 | 0.12% | 12000 | - | 12000 | 0.09% | (0.03)% |
| Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs | 713250 | - | 713250 | 5.21% | 643250 | - | 643250 | 4.70% | (0.51)% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs | 2560550 | - | 2560550 | 18.70% | 2618550 | - | 2618550 | 19.13% | 0.42% |
| c) Others (CLEARING MEMBER) | 34000 | - | 34000 | 0.25% | 38000 | - | 38000 | 0.28% | 0.03% |
| Sub-total (B)(2):- | 4209800 | - | 4209800 | 30.75% | 4053800 | - | 4053800 | 29.61% | (1.14)% |
| Total Public Shareholding (B)=(B)(1) +(B)(2) | 4209800 | - | 4209800 | 30.75% | 4053800 | | 4053800 | 29.61% | (1.14)% |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 13689750 | - | 13689750 | 100% | 13689750 | | 13689750 | 100% | 0% |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year 01/04/2018 | | | Shareholding at the end of the year 31/03/2019 | | | % change in share holding during the Year |
|---------|--|---|-------------------------------------|--|---|---|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged /encum bered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged /encum bered to total shares | |
| 1 | MR. ANOOP KUMAR BANSAL | 1145250 | 8.37% | NA | 1145250 | 8.37% | NA | 0 |
| 2 | MR. KISHORE KUMAR BANSAL | 741000 | 5.41% | NA | 741000 | 5.41% | NA | 0 |
| 3 | MR. SANJAY SHAH | 535950 | 3.91% | NA | 585950 | 4.28% | NA | 0.37% |
| 4 | MR. MANOJ KUMAR BANSAL | 3782700 | 27.63% | NA | 3782700 | 27.63% | NA | 0 |
| 5 | MS. SHALINI SHAH | 261000 | 1.91% | NA | 261000 | 1.91% | NA | 0 |
| 6 | MS. CHAMPA BEN SHAH | 277200 | 2.02% | NA | 277200 | 2.02% | NA | 0 |
| 7 | MANOJ KUMAR BANSAL (HUF) | 213300 | 1.56% | NA | 213300 | 1.56% | NA | 0 |
| 8 | DESH RAJ BANSAL (HUF) | 540000 | 3.94% | NA | 540000 | 3.94% | NA | 0 |
| 9 | CHAMANLAL KHUSHALJI SHAH (HUF) | 247500 | 1.81% | NA | 247500 | 1.81% | NA | 0 |
| 10 | ANOOP KUMAR BANSAL (HUF) | 144000 | 1.05% | NA | 144000 | 1.05% | NA | 0 |
| 11 | MS. SANJU BANSAL | 237000 | 1.73% | NA | 237000 | 1.73% | NA | 0 |
| 12 | MS. KIRTI BANSAL | 231300 | 1.69% | NA | 231300 | 1.69% | NA | 0 |
| 13 | MS. SIMMI BANSAL | 222500 | 1.63% | NA | 222500 | 1.63% | NA | 0 |
| 14 | SARTHAK ENERGY PRIVATE LIMITED | 1250 | 0.0091% | NA | 33250 | 0.24% | NA | 0.2309% |
| 15 | METAL GRACE INJECTION ALLOYS PRIVATE LIMITED | 900000 | 6.57% | NA | 900000 | 6.57% | NA | 0 |
| 16 | SAGAR SANJAY SHAH | - | - | NA | 42000 | 0.31% | NA | 0.31% |
| 17 | SIDDHARTH SANJAY SHAH | - | - | NA | 32000 | 0.23% | NA | 0.23% |
| | TOTAL | 9,479,950 | 69.229% | | 9,635,950 | 70.38% | | 1.1409% |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year 01/04/2018 | | Cumulative Shareholding during the year 31/03/2019 | |
|----------|---------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | MR.ANOOP KUMAR BANSAL | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 2 | MR. KISHORE KUMAR | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 3 | MR. SANJAY SHAH | | | | |
| | At the beginning of the year | 535950 | 3.91% | 585950 | 4.28% |
| | Increase in shareholding | 50000 | 0.37% | - | - |
| | At the End of the year | 585950 | 4.28% | - | - |
| 4 | MR. MANOJ KUMAR BANSAL | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 5 | MS. SHALINI SHAH | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 6 | MS. CHAMPA BEN SHAH | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 7 | MANOJ KUMAR BANSAL (HUF) | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 8 | DESH RAJ BANSAL(HUF) | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |

| | | | | | |
|-----------|---|--------------------|---------|-------|-------|
| 9 | CHAMANLAL KHUSHALJI SHAH (HUF) | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 10 | ANOOP KUMAR BANSAL (HUF) | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 11 | MS. SANJU BANSAL | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 12 | MS. KIRTI BANSAL | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 13 | MS. SIMMI BANSAL | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 14 | SARTHAK ENERGY PRIVATE LIMITED | | | | |
| | At the beginning of the year | 1250 | 0.0091% | 33250 | 0.24% |
| | Decrease in shareholding | 32000 | 0.2309 | - | - |
| | At the End of the year | 33250 | 0.24% | - | - |
| 15 | METAL GRACE INJECTION ALLOYS PRIVATE LIMITED | (NO CHANGE) | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase in shareholding | - | - | - | - |
| | At the End of the year | - | - | - | - |
| 16 | SAGAR SANJAY SHAH | - | - | - | - |
| | At the beginning of the year | - | - | 42000 | 0.31% |
| | Increase in shareholding | 42000 | 0.31% | - | - |
| | At the End of the year | 42000 | 0.31% | - | - |
| 17 | SIDDHARTH SANJAY SHAH | | | | |
| | At the beginning of the year | - | - | 32000 | 0.23% |
| | Increase in shareholding | 32000 | 0.23% | - | - |
| | At the End of the year | 32000 | 0.23% | - | - |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year 01/04/2018 | | Cumulative Shareholding during the year 31/03/2019 | | Increase/Decrease in Shareholding |
|---------|---------------------------------------|--|----------------------------------|--|----------------------------------|-----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | |
| 1 | BHILAI TECHNO PRIVATE LIMITED | 324000 | 2.37% | 324000 | 2.37% | 0 |
| 2 | MR. SUNIL KUMAR PYAREYLAL AGARWAL | 320000 | 2.34% | 320000 | 2.34% | 0 |
| 3 | MR. SANJAY POPATLAL JAIN | 228000 | 1.67% | 222000 | 1.62% | Decrease 6000(-0.05%) |
| 4 | MR. HARSH SARAWGI | 144000 | 1.05% | 146000 | 1.07% | Increase 2000(0.02%) |
| 5 | MRS. JAYA BHATT | 118500 | 0.87% | 118500 | 0.87% | 0 |
| 6 | MR. PRAKASH CHANDRA BHATT | 104000 | 0.76% | 118000 | 0.86% | Increase 14000(0.10%) |
| 7 | M/S WAYS VINIMAY PRIVATE LIMITED | - | - | 107300 | 0.78% | Increase 107300(0.78%) |
| 8 | M/S ASE CAPITAL MARKETS LIMITED | - | - | 98000 | 0.72% | Increase 98000(0.72%) |
| 9 | MR. GOPAL AGARWAL | 160000 | 1.17% | 88000 | 0.64% | Decrease 72000(-0.53%) |
| 10 | MR. PRAMOD KUMAR JAIN | 74000 | 0.54% | 78000 | 0.57% | Increase 4000(0.03%) |
| 11 | IL AND FS SECURITIES SERVICES LIMITED | 167700 | 1.23% | 50000 | 0.37% | Decrease 117700 (-0.86%) |
| 12 | GUINNESS SECURITIES LIMITED | 309000 | 2.26% | 8700 | 0.064% | Decrease 300300 (-2.196%) |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Particulars | Shareholding at the beginning of the year 01/04/2018 | | Cumulative Shareholding during the year 31/03/2019 | |
|---------|--|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | For each of the Directors and KMP | | | | |
| 1 | MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR) | 1145250 | 8.37% | 1145250 | 8.37% |
| 2 | MR. CHETAN KUMAR (INDEPENDENT DIRECTOR) | NIL | NIL | NIL | NIL |
| 3 | MR. MAYUR BHATT (WHOLE TIME DIRECTOR) | 454050 | 3.32% | 454050 | 3.32% |
| 4 | MR. SANJAY SHAH (WHOLE TIME DIRECTOR) | 535950 | 3.92% | 585950 | 4.28% |
| 5 | MS. RAMA KOHLI (INDEPENDENT DIRECTOR) | NIL | NIL | NIL | NIL |
| 6 | MR. KISHORE KUMAR BANSAL (DIRECTOR) | 741000 | 5.41% | 741000 | 5.41% |
| 7 | MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER) | 56000 | 0.41% | 56000 | 0.41% |
| 8 | MRS. ITIKA SINGHAL (COMPANY SECRETARY) | NIL | NIL | NIL | NIL |

(v) INDEBTEDNESS:

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

(In Rupees)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| I) Principal Amount | 15,97,91,540 | 9,88,89,356 | - | 25,86,80,896 |
| II) Interest due but not paid | - | - | - | - |
| III) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 15,97,91,540 | 9,88,89,356 | - | 25,86,80,896 |
| Change in Indebtedness during the financial year | 10,27,37,877 | (4,36,886) | - | 10,23,00,991 |
| * Addition | | | - | |
| * Reduction | | | | |
| Net Change | 10,27,37,877 | (4,36,886) | - | 10,23,00,991 |
| Indebtedness at the end of the financial year | | | | |
| I) Principal Amount | 26,25,29,417 | 9,84,52,470 | - | 36,09,81,887 |
| II) Interest due but not paid | - | - | - | - |
| III) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 26,25,29,417 | 9,84,52,470 | - | 36,09,81,887 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
(In Rupees)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|---------|--|-------------------------|------------------|-----------------|--------------|
| | | MR. ANOOP KUMAR BANSAL | MR. MAYIUR BHATT | MR. SANJAY SHAH | |
| 1. | Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961 | 24,00,000 | 6,00,000 | 24,00,000 | 54,00,000 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act,1961 | 2,50,000 | 2,50,000 | 2,50,000 | 7,50,000 |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act,1961 | NIL | NIL | NIL | NIL |
| 2 | Stock Option | NIL | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL | NIL |
| 4 | Commission As % of profit Others, specify | NIL | NIL | NIL | NIL |
| 5 | Others, specify | NIL | NIL | NIL | NIL |
| | Total (A) | 26,50,000 | 8,50,000 | 26,50,000 | 61,50,000 |
| | Overall Ceiling as per the Act | 42,00,000 | 42,00,000 | 42,00,000 | |

B. Remuneration to other directors:
(In Rupees)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|---|--------------------------|--------------------------|--------------------------|--------------|
| | | MR. CHETAN KUMAR | MRS. RAMA KOHLI | MR. KISHORE KUMAR BANSAL | |
| 1. | Independent Directors * Fee for attending board committee meetings * Commission * Other, Salary | NIL | NIL | NIL | NIL |
| | Total (1) | NIL | NIL | NIL | NIL |
| 2. | Other Non-Executive Directors * Fee for attending board committee meetings * Commission * Others, please specify | NIL | NIL | NIL | NIL |
| | Total (2) | NIL | NIL | NIL | NIL |
| | Total (B) = (1+2) | NIL | NIL | NIL | NIL |
| | Total Managerial Remuneration | NIL | NIL | NIL | NIL |
| | Overall Ceiling as per the Act | within the Ceiling Limit | within the Ceiling Limit | within the Ceiling Limit | |

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

(In Rupees)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|--------------------|----------|--|
| | | Company Secretary | CFO | TOTAL | |
| | | Ms.Itika Singhal | Mr.Anirudh Singhal | | |
| 1. | Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961 | 330,000 | 6,50,000 | 9,80,000 | |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act,1961 | NIL | NIL | NIL | |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act,1961 | NIL | NIL | NIL | |
| 2 | Stock Option | NIL | NIL | NIL | |
| 3 | Sweat Equity | NIL | NIL | NIL | |
| 4 | Commission As % of profit Others, specify | NIL | NIL | NIL | |
| 5 | Others, specify | NIL | NIL | NIL | |
| | Total (A) | 330,000 | 6,50,000 | 9,80,000 | |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty/punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B.DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

FOR SARTHAK METALS LIMITED

Sd/-
ANOOP KUMAR BANSAL
 Managing Director
 01661844

Place: Bilai, Chhattisgrah
 Date: 26.07.2019

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars | Details |
|---------|---|-----------------------|
| 1. | Name of the subsidiary | NOT APPLICABLE |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | |
| 4. | Share capital | |
| 5. | Reserves & surplus | |
| 6. | Total assets | |
| 7. | Total Liabilities | |
| 8. | Investments | |
| 9. | Turnover | |
| 10. | Profit before taxation | |
| 11. | Provision for taxation | |
| 12. | Profit after taxation | |
| 13. | Proposed Dividend | |
| 14. | % of shareholding | |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

| Sl. No. | Particulars | Name 1 | Name 2 |
|-----------|---|--------|--------|
| | Name of Associates/Joint Ventures | | |
| 1. | Latest audited Balance Sheet Date | | |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | | |
| | No. | | |
| | Amount of Investment in Associates/Joint Venture | | |
| | Extend of Holding % | | |
| 3 | Description of how there is significant influence | | |
| 4 | Reason why the associate/joint venture is not consolidated | | |
| 5 | Networth attributable to Shareholding as per latest audited Balance Sheet | | |
| 6 | Profit / Loss for the year | | |
| | i. Considered in Consolidation | | |
| | ii. Not Considered in Consolidation | | |

1. Names of associates or joint ventures which are yet to commence operations
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Annexure I: Form No. AOC-2
(Ref.: Board's Report, Item no. 11)**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- Name(s) of the related party and nature of relationship
- Nature of contracts/arrangements/transactions
- Duration of the contracts / arrangements/transactions
- Salient terms of the contracts or arrangements or transactions including the value, if any
- Justification for entering into such contracts or arrangements or transactions
- date(s) of approval by the Board
- Amount paid as advances, if any:
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | | Nature of contracts/arrangements/transactions | Duration of the contracts arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value (in Rs.), if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any | |
|---|------------------------------------|---|--|---|---|---------------------------------|-----|
| 2) | M/S BANSAL BROTHERS (TRADING DIV.) | ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE | Purchase Raw Material, Purchase of Consumable Goods, Factory Shed & Building, Plant & Machinery, Repair & Maintenance Machine, Repair & Maintenance Building | ANNUALLY | 1. Purchase Raw Material- 1,67,72,995 2. Purchase of Consumable Goods- 4,37,562.90 3. Factory Shed & Building- 7,25,677.10 4. Plant & Machinery- 56,428.79 5. Repair & Maintenance Machine- 12,000 Repair & Maintenance Building- 11,311 | N/A | NIL |
| 3) | M/S BANSAL BROTHERS (FAD) | ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE | Purchase raw Material | ANNUALLY | Purchase Raw Material- 13,94,57,184.11 | N/A | NIL |

Management Discussion & Analysis

Demand for steel has been resilient. Compared to the global slowdown, Indian demand has shown resilience. Provisional figures compiled by analysts show a 7.5% rise in FY19 sales, making India one of the fastest-growing steel markets among large economies. Even though this is marginally lower, it still compares well with a 7.9% rise in FY18. In contrast, global steel demand is projected to slow to 1.4% in 2019, more than halving from the 3% increase in 2018.

Data from Joint Plant Committee of Ministry of Steel showed a 7.8% rise in steel consumption from April 2018 to January 2019. According to SBICAP Securities Ltd, demand in the subsequent two months increased 7.7% and 8.8%, respectively. This pegs consumption growth during January-March (Q4 FY19) at 6.4%, points out Emkay Global Financial Services Ltd, notably better than the December quarter when demand decelerated. Inventory restocking and the seasonal upswing in demand have driven volumes in the last three months. Tata Steel Ltd's India operations reported a 56% jump in sales volume last quarter. The growth was partly aided by capacity expansion following its acquisition of Bhushan Steel Ltd last year. Even so, higher volumes should help mitigate the impact of subdued prices.

Demand in India is largely being driven by the infrastructure sector. According to SBICAP Securities, demand for long steel products increased 9.6% during the April 2018-February 2019 period. Comparatively, demand for flat products, which largely emanates from the automobile sector, is up 4.8%. With automobile sales decelerating further in recent months, the fear is that a prolonged slowdown could impact steel demand in the coming months. According to Edelweiss Securities Ltd, about 20% of total steel in India is consumed by the automobile sector.

Another challenge is the slowdown in China. This demand slowdown in China is driving imports to India. The sharp fall in international prices increased imports to India, weighing on domestic prices. The rise in iron ore prices due to supply disruption in Brazil pushed up global steel prices, benefiting producers such as Tata Steel. But with iron ore supplies rising in the home market, this advantage is expected to erode, making demand recovery in global markets crucial for Indian producers.

Opportunities

Steel demand is steady and is holding its own despite global and domestic slowdown. The infrastructure spending and capital expenditure which the Indian Government is planning is expected to give a lot of boost in long products. We expect the demand of steel to further increase due to the mandate in Railways for increasing the network for both passenger and freight traffic.

The steel sector has stabilized due to consolidation of steel companies thanks to the IBC law implementation by the Government. Weaker players weighing down the industry have been weeded out. The working capital cycle, clarity in inputs requirements and brand recognition has improved due to this consolidation.

The on-going trade war between EU, USA and China adds a slew of opportunities for Indian steel as well as Indian raw materials. Exports of steel and various inputs of steel sector are most likely to see an increase. One of the chief reasons for increase in exports is globally Iron prices are increasing, where as Indian Iron prices are holding steady. Therefore, increasing demand of competitive Indian Steel and thereby increasing demands of the steel inputs in India.

Threats

The main threat to the Indian steel industry is from cheap steel imports which the Chinese companies are dumping in India. With the Chinese steel facing closed doors in USA, they only have India to look towards in light of waning domestic steel demand. The current government has put safeguard duties for the same and protected the local industries. However, it is not clear for how long these duties shall prevail.

The consolidation from IBC has led to an Oligopolistic market in India with entire steel sector coming into the hands of the few. The purchases shall soon be consolidated making it hard for vendors. Loss of a single tender can lead to losing sales for the entire year for that particular steel conglomerate.

The Aluminum industry has shown very weak global demand due to trade war between China and USA. The American market being closed to China, aluminum scrap being generated in America is finding it's way to India in troves with a few takers, bringing the Indian markets to new lows.

Automotive industry accounts for 20% steel consumption of the entire Indian Steel Industry. Demand for auto sector is lowest in more than 15 years with industry operating at 60% capacity utilization. Due to low demand in auto sector steel demand is expected to slow down.

Product Wise Performance

Sarthak Metals Limited has four manufacturing divisions as on 31st March 2019 i.e. industrial oxygen manufacturing, cored wire manufacturing plant, Aluminum wire rod manufacturing plant and Ferro Aluminum manufacturing plant. The industrial oxygen plant is of 200 Cubic Meter per hour capacity. It has been giving steady performance and catering to nearby steel fabrication companies. The cored wire division of the company manufactures various cored wires and aluminum flipping coils for the Iron & Steel companies. Your company has also Commissioned Aluminum wire rod manufacturing plant, which shall be the raw material for Aluminum flipping coil. This will lead to increase in contribution in turnover by Aluminum flipping coil.

The product wise performance of cored wires, aluminum flipping coil Ferro Aluminum & Industrial gases has been briefed in the table below:

Table: Breakup of Turnover

| Product Name | Contribution to Turnover (in Percentage) |
|------------------------|---|
| Cored Wires | 65.44% |
| Aluminum Flipping Coil | 25.32% |
| Ferro Aluminum | 7.76% |
| Industrial Gases | 1.48% |
| Total | 100% |

Cautionary Statement

Statements made in this Management Discussions and Analysis describing company's objective and predictions may be "Forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed therein. Important factors that could make difference to the operations include Government regulations, tax structures and country's economic development, availability of input and their prices and other incidental factors.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SARTHAK METALS LIMITED
B. B. C. Colony, G. E. Road, Khurispur,
Bhilai – 490011

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SARTHAK METALS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009(Not Applicable as the Company has not issued any further share capital during the year;
 - e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable);
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable);
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

regarding the Companies Act and dealing with client(Not Applicable);

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).;

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Stock Exchange.

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

1. The Company has not filed MGT-14 for approval of Director's Report .

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors of the Board as the case may be.

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

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

- i) Right Issue | Preferential issue of shares | issue of debentures | issue of sweat Equity.
- ii) Redemption | Buy-back of securities.
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Act.
- iv) Foreign Technical Collaborations.

We further report that during the audit period the Company has not undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Mumbai
Date: 26.07.2019

For **Nilesh A. Pradhan & Co.**
Company Secretary

Sd/-
Nilesh A. Pradhan
Proprietor
FCS: 5445
CP: 3659

Note: This report should be read with my letter which is annexed as Annexure I and forms integral part of this report.

ANNEXURE -I

To,
The Members,
SARTHAK METALS LIMITED
B. B. C. Colony, G. E. Road, Khursipar,
Bhilai – 490011

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

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

For **Nilesh A. Pradhan & Co,**
Company Secretaries

Sd/-
Nilesh A.Pradhan
Proprietor
FCS: 5445
COP: 3659

Place: Mumbai
Date: 26.07.2019

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
M/s SARTHAK METALS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the standalone financial statements of M/s SARTHAK METALS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory.

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 March 31, 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Paragraph 40(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 40(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or

when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our
- (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.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,
- (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1. The Company does not have any pending litigations which would impact its financial position.
 - 2. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - 3. There were no amounts which are required to be transferred by the Company to the Investor Education and Protection Fund.

For BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C

Sd/-
(NIKHILESH BEGANI)
PARTNER
M. NO. 110603

Place: RAIPUR (C.G.)
Date: 21.05.2019

UDIN : (Mandatory if the report is issued on or after 1st July, 2019)

Annexure- 'A' to the Auditors' Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of M/s Sarthak Metals Limited of even date)

| | | | | | | |
|----|---|--|-------------------|----------------|------------------------------------|------------------------------------|
| 1. | In respect of the Company's fixed assets: | | | | | |
| | (a) | The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. | | | | |
| | (b) | As explained & Informed to us, The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification | | | | |
| | (c) | As explained & Informed to us, the title deeds of immoveable properties are held in the name of the company. | | | | |
| 2. | The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification. | | | | | |
| 3. | According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable. | | | | | |
| 4. | In our opinion and according to the information and explanations given to us ,the company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. | | | | | |
| 5. | In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. | | | | | |
| 6. | As Explained & Informed to us maintenance of cost records for the items manufactured/dealt by the company in its different undertaking is not applicable. | | | | | |
| 7. | In respect of statutory dues: | | | | | |
| | (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, employees' state insurance, income-tax, goods and service tax, duty of customs and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. | | | | |
| | (b) | However, according to information and explanations given to us, the following dues of have not been deposited by the Company on account of disputes: | | | | |
| | | Name of the statute | Nature of dues | Amount (in Rs) | Period to which the amount relates | Forum where dispute is pending |
| | | Commercial Tax | Central Sales Tax | 22,46,324/- | 2014-15 | Deputy Commissioner Commercial Tax |
| 8. | According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. | | | | | |

| | |
|-----|---|
| 9. | During the year the Company has not raised any fresh money by way of initial public offer, further public offer or any new term loans. |
| 10. | Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated. |
| 11. | According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of deduction 197 read with schedule V to the act. |
| 12. | The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company. |
| 13. | According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. |
| 14. | According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable. |
| 15. | According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable. |
| 16. | According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. |

For BEGANI & BEGANI
 CHARTERED ACCOUNTANTS
 FRN NO. 010779C

Sd/-
(NIKHILESH BEGANI)
PARTNER
M. NO. 110603

Place: RAIPUR (C.G.)
 Date: 21.05.2019

UDIN : (Mandatory if the report is issued on or after 1st July, 2019)

Annexure-'B' to the Auditor's 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 **M/s SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited)** ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018 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 BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C

Sd/-
(NIKHILESH BEGANI)
PARTNER
M. NO. 110603

Place: RAIPUR (C.G.)

Date: 21.05.2019

UDIN : (Mandatory if the report is issued on or after 1st July, 2019)

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
BALANCE SHEET AS AT 31st MARCH 2019

Amount (Rs in lacs)

| | Particulars | Note No. | As at 31.03.2019 ₹ | As at 31.03.2018 ₹ |
|------------|--|----------|-----------------------|-----------------------|
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 2 | 136,897,500 | 136,897,500 |
| | (b) Reserves & Surplus | 3 | 286,807,125 | 229,173,611 |
| | (c) Money received against share warrants | | - | - |
| 2 | Share application money pending allotment | | - | - |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 4 | 27,506,860 | 22,777,255 |
| | (b) Deferred tax liabilities (Net) | | 1,258,727 | 356,401 |
| | (c) Other Long term liabilities | | - | - |
| | (d) Long-term provisions (Gratuity) | | 3,749,839 | 2,169,765 |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | 5 | 333,475,027 | 235,903,640 |
| | (b) Trade payables | | 34,553,581 | 9,257,818 |
| | (c) Other current liabilities | 6 | 14,131,728 | 12,558,683 |
| | (d) Short-term provisions | 7 | - | 2,319,845 |
| | TOTAL | | 838,380,387 | 651,414,517 |
| II. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | 8 | | |
| | (i) Tangible assets | | 137,821,309 | 87,291,627 |
| | (ii) Intangible assets | | 1,180,215 | 1,944,461 |
| | (iii) Capital work-in-progress | | 1,960,651 | 5,742,578 |
| | (iv) Intangible assets under development | | - | - |
| | (b) Non-current investments | 9 | 7,500,000 | 7,500,000 |
| | (c) Deferred tax assets (net) | | - | - |
| | (d) Long-term loans and advances | 10 | 6,720,959 | 6,057,279 |
| | (e) Other non-current assets | 11 | 700,003 | 1,225,003 |
| 2 | Current assets | | | |
| | (a) Current investments | | - | - |
| | (b) Inventories | 12 | 260,453,515 | 155,516,553 |
| | (c) Trade receivables | 13 | 232,362,996 | 291,285,186 |
| | (d) Cash and Cash equivalents | 14 | 35,399,197 | 16,323,493 |
| | (e) Short-term loans and advances | 15 | 62,696,210 | 28,682,089 |
| | (f) Other current assets | 16 | 91,585,329 | 49,846,247 |
| | TOTAL | | 838,380,387 | 651,414,517 |

Summary of significant accounting policies

1 & 25

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

As per our Report of even date

For BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C

FOR AND ON BEHALF OF BOARD OF DIRECTOR OF SARTHAK METALS LTD.

Sd/-
(NIKHILESH BEGANI)
PARTNER
M.NO. 110603

Sd/-
(ANOOP KUMAR BANSAL)
DIRECTOR
DIN : 01661844

Sd/-
(MAYUR BHATT)
DIRECTOR
DIN : 07586457

Place: RAIPUR (C.G.)
Date: 21/05/2019

Sd/-
(ITIKA SINGHAL)
COMPANY SECRETARY

Sd/-
(ANIRUDH SINGHAL)
CFO

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2019

(Amount in Rs.)

| | Particulars | Note No. | As at 31.03.2019 ₹ | As at 31.03.2018 ₹ |
|-------|--|----------|-----------------------|-----------------------|
| I. | Revenue from operations | 17 | 1,892,634,154 | 1,712,608,633 |
| II. | Other income | 18 | 15,632,732 | 16,408,005 |
| III. | Total Revenue (I + II) | | 1,908,266,886 | 1,729,016,638 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 19 | 1,640,276,803 | 1,469,825,041 |
| | Purchases of Stock-in-Trade | | 5,090,403 | 10,158,084 |
| | Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 20 | (39,226,832) | (14,345,282) |
| | Employee benefits expense | 21 | 54,567,136 | 44,083,088 |
| | Finance costs | 22 | 38,725,526 | 34,576,868 |
| | Depreciation and amortization expense | 8 | 15,773,694 | 13,500,289 |
| | Other expenses | 23 | 111,962,341 | 99,772,267 |
| | Total expenses | | 1,827,169,070 | 1,657,570,354 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | 81,097,815 | 71,446,284 |
| | Dividend | | | |
| VI. | Exceptional items | 24 | 563,485 | 1,158,120 |
| VII. | Profit before extraordinary items and tax (V - VI) | | 80,534,330 | 70,288,164 |
| VIII. | Extraordinary Items | | - | - |
| IX. | Profit before tax (VII- VIII) | | 80,534,330 | 70,288,164 |
| X. | Tax expense: | | | |
| | (1) Current tax | | 21,998,490 | 24,024,789 |
| | (2) Deferred tax | | 902,326 | (1,294,800) |
| XI. | Profit (Loss) for the period from continuing operations (VII-VIII) | | 57,633,514 | 47,558,175 |
| XII. | Profit/(loss) from discontinuing operations | | - | - |
| XIII. | Tax expense of discontinuing operations | | - | - |
| XIV. | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV. | Profit (Loss) for the period (XI + XIV) | | 57,633,514 | 47,558,175 |
| XVI. | Earnings per equity share: | | | |
| | (1) Basic | | 4.21 | 3.47 |
| | (2) Diluted | | - | - |

As per our Report of even date

For BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C

FOR AND ON BEHALF OF BOARD OF DIRECTOR OF SARTHAK METALS LTD.

Sd/-
(NIKHILESH BEGANI)
PARTNER
M.NO. 110603

Sd/-
(ANOOP KUMAR BANSAL)
DIRECTOR
DIN : 01661844

Sd/-
(MAYUR BHATT)
DIRECTOR
DIN : 07586457

Place: RAIPUR (C.G.)
Date: 21/05/2019

Sd/-
(ITIKA SINGHAL)
COMPANY SECRETARY

Sd/-
(ANIRUDH SINGHAL)
CFO

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

Amount (Rs in lacs)

| | Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-----------|---|------------------|------------------|
| | | ₹ | ₹ |
| I. | CASH FLOW FROM OPERATING ACTIVITIES : | | |
| | Net Profit before tax as per Profit & Loss Account | 805.34 | 702.88 |
| | Adjustment for : | | |
| | Depreciation | 157.74 | 135.00 |
| | Interest (Net) | 328.25 | 276.11 |
| | Amortazation Of Preliminary Exps | 5.25 | 2.40 |
| | Loss/ (profit) on sale of fixed assets | - | (2.58) |
| | | 491.24 | 410.93 |
| | Operating Profit before Working Capital changes | 1,296.58 | 1,113.81 |
| | Adjustment for : | | |
| | Inventories | (1,049.37) | (539.99) |
| | Trade and other receivable | 589.22 | 64.49 |
| | Short TermLoans and Advances | (340.14) | 36.85 |
| | Short Term Provisions | (23.20) | - |
| | Long TermLoans and Advances | (6.64) | 12.67 |
| | Trade Payable | 252.96 | 58.06 |
| | Other Current Assets | (417.39) | (522.50) |
| | Long term Liabilities | 15.80 | 9.51 |
| | Other Current Liabilities | 15.73 | (8.41) |
| | | (963.03) | (889.32) |
| | Cash generated from Operations | 333.56 | 224.49 |
| | Direct Taxes (Net) | (219.98) | (220.88) |
| | Net Cash from Operating Activities | 113.57 | 3.61 |
| | CASH FLOW FROM INVESTING ACTIVITIES : | | |
| | Investment in Fixed Assets including Capital WIP | (1,128) | (159.12) |
| | Proceeds from sale of fixed assets | 510 | 5.89 |
| | Investment in Non Current Investments | - | - |
| | Interest Received | 5.83 | 1.26 |
| | Net Cash used in Investing Activities | (611.74) | (151.97) |
| | CASH FLOW FROM FINANCING ACTIVITIES : | | |
| | Proceed From Long Term Borrowing | 47.30 | 46.24 |
| | Other Short Term Borrowings | 975.71 | (264.94) |
| | Interest Paid | (334.08) | (277.37) |
| | Dividend Paid | - | (82.38) |
| | Net Cash from financing Activities | 688.93 | (578.45) |
| | Net Increase/(decrease) in Cash and Cash equivalents (A+B+C) | 190.76 | (726.81) |
| | CASH AND CASH EQUIVALENTS AS AT 01/04/2018 (as per Note-'14') | 163.23 | 890.04 |
| | CASH AND CASH EQUIVALENTS AS AT 31/03/2019 (as per Note-'14') | 353.99 | 163.23 |
| | Increase/(decrease) in Cash and Cash equivalents | 190.76 | (726.81) |

Notes:

(a) Cash and cash equivalent include the following :

| | | |
|---|--------|--------|
| Cash on Hand | 5.23 | 5.58 |
| Balance with Banks (Including Fixed Deposits) | 348.77 | 157.66 |
| | 353.99 | 163.23 |

(b) Figures in brackets represent outflows.

(c) Previous year figures have been recast/restated wherever necessary.

As per our Report of even date

**For BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C**

FOR AND ON BEHALF OF BOARD OF DIRECTOR OF SARTHAK METALS LTD.

Sd/-
(NIKHILESH BEGANI)
PARTNER
M.NO. 110603

Sd/-
(ANOOP KUMAR BANSAL)
DIRECTOR
DIN : 01661844

Sd/-
(MAYUR BHATT)
DIRECTOR
DIN : 07586457

Place: RAIPUR (C.G.)
Date: 21/05/2019

Sd/-
(ITIKA SINGHAL)
COMPANY SECRETARY

Sd/-
(ANIRUDH SINGHAL)
CFO

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
Notes to financial statements for the year ended March 31, 2019

Note 1**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Corporate Information**

Sarthak Metals Limited (hereinafter referred to as 'the Company') is a public company domiciled in India. Earlier the Company was known as Sarthak Metals Marketing Private Limited. Its shares are listed on BES SME Stock Exchange. The company is engaged in the manufacturing and selling cored wires ferro alloys aluminium wire industrial gases and related items.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those of previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues expenses assets and liabilities and the disclosure of contingent liabilities at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

2.2 Fixed assets**Tangible Fixed Assets**

Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the year during which such expenses are incurred.

Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any.

2.4 Depreciation

Depreciation on fixed assets is calculated on a written down value method using the rates arrived at

based on the useful lives estimated by the management as prescribed in Schedule II to the Companies Act 2013 on a pro-rata basis from the date the asset is ready to put to use.

The appropriateness of depreciation/amortisation period and depreciation/amortisation method is reviewed by the management in each financial year.

2.5 Impairment of tangible and intangible assets

The Company reviews the carrying amounts of assets at each balance sheet date to ascertain if there is any indication of impairment. If any indication exists the asset's recoverable amount is estimated. For assets that are not available for use the recoverable amount is estimated at each reporting date. An impairment loss is recognised wherever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Statement of Profit and Loss. After impairment depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognised in the prior accounting period is reversed if there is change in the estimate used to determine the recoverable amount. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.6 Inventories

Raw materials components stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials components and stores and spares is determined on FIFO basis. Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials. Cost of finished goods includes GST. Cost is determined on FIFO basis. Traded goods are valued at estimated cost based on the selling price of the stock based on the past practice. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.7 Income Tax

Tax expense comprises current and deferred tax. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of traded goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects GST on behalf of the government and therefore these are not economic benefits flowing to the Company. Hence they are excluded from revenue. GST is deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Other operating income

Revenue from other sources have been recognized on accrual basis.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.9 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.10 Foreign currency translation - Foreign currency transactions and balances**Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost rate at denominated in a foreign currency are translated using the exchange rate at the date when such value was determined the date of the transaction.

Exchange differences

The exchange differences arising on account of conversion / settlement of transactions are recognised in the statement of profit or loss as income or expenses in the period in which they arise.

2.11 Employee benefits

Salaries wages and bonuses are accrued in the year in which the associated services are rendered by employees of the Company. Other employee benefits include provident fund superannuation fund gratuity fund compensated absences long service awards and post-employment medical benefits. The Company's contribution to provident fund and superannuation fund are charged as an expense as they fall due based on the amount of contribution required to be made.

2.12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

2.14 Contingent liabilities

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

2.15 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.16 Deferred Revenue Expenditure

Preliminary expenses or Initial Public offer's expenses are being written off in five equal yearly installments.

2.17 Segment Reporting

The Company's operating businesses are organized and managed separately according to the nature of products and services provided with each segment representing a strategic business unit that offers different products and serves different markets. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Note 2 : Share capital

| SHARE CAPITAL | As at 31.03.2019 | As at 31.03.2018 |
|---|--------------------|--------------------|
| Authorised : 15,00,000 (P.Y. 15,00,000) Equity Share of Rs. 10/- each | 15,000,000 | 15,000,000 |
| Total | 15,000,000 | 15,000,000 |
| Issued, Subscribed & Paid up Capital: 13689750 (P.Y. 13689750) Equity Shares of Rs. 10/- each fully paid up | 136,897,500 | 136,897,500 |
| Total | 136,897,500 | 136,897,500 |

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

| Particulars | Equity Shares | As at 31.03.2019 | As at 31.03.2018 |
|---|---------------|------------------|------------------|
| | Number | Rs. | Rs. |
| Shares outstanding at the beginning of the year | 13,689,750 | 136,897,500 | 136,897,500 |
| Shares issued during the year | - | - | - |
| Shares bought back during the year | - | - | - |
| Shares outstanding at the end of the year | 13,689,750 | 136,897,500 | 136,897,500 |

(ii) All equity shares carry equal voting and distribution rights.

(iii) Details of shareholders holding more than 5 percent of shares in the company:-

| | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Shri Anoop Kumar Bansal | | |
| No. of Shares held | 1,145,250 | 1145250 |
| % of Holding | 8.37% | 8.37% |
| Shri Kishore Kumar Bansal | | |
| No. of Shares held | 741000 | 741,000 |
| % of Holding | 5.41% | 5.41% |
| Shri Manoj Kumar Bansal | | |
| No. of Shares held | 3,782,700 | 3,782,700 |
| % of Holding | 27.63% | 27.63% |
| Metal-Grace Injection Alloys Private Limited | | |
| No. of Shares held | 900,000 | 900,000 |
| % of Holding | 6.57% | 6.57% |

- (iv) The company has only one class of equity shareholders. Each shareholder is entitled to right of one vote per share.
- (v) The company declares and pays dividend in Indian Rupees. Dividend proposed by directors is subject to approval of shareholders at the ensuing Annual General Meeting.
- (vi) In the event of liquidation, equity shareholders shall be eligible to receive remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.
- (vii) Number of bonus shares allotted to existing shareholders for consideration other than cash in the last 5 years:

| SL. No. | Date of issue of Fully Paid up Bonus Shares | Number of Bonus Share issued |
|---------|---|------------------------------|
| 3 | Saturday, March 22, 2014 | 4,023,250 |

Note 3 : Reserve & Surplus

| | As at 31.03.2019 | As at 31.03.2018 |
|--|--------------------|--------------------|
| a. Securities Premium Account | | |
| Opening Balance | 43,391,000 | 43,391,000 |
| Add : Securities premium credited on Share issue | - | - |
| Less : Premium Utilised for various reasons | - | - |
| Closing Balance | 43,391,000 | 43,391,000 |
| b. Surplus | | |
| Opening Balance | 185,282,611 | 145,962,766 |
| (+) Net Profit/(Net Loss) For the current year | 57,633,514 | 47,558,175 |
| (+) Transfer from Reserves | - | - |
| (-) Declared Dividends(F.Y. 2016-2017) | - | 8,238,330 |
| (-) Interim Dividends | - | - |
| (-) Adjustment for Depreciation | - | - |
| Closing Balance | 242,916,125 | 185,282,611 |
| C. Capital Investment Subsidy | | |
| Opening Balance | 500,000 | 500,000 |
| (+) Transfer from Reserves | - | - |
| (-) Adjustment | - | - |
| Closing Balance | 500,000 | 500,000 |
| Total | 286,807,125 | 229,173,611 |

Note 4: Long Term Borrowings

| LONG TERM BORROWINGS | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|-------------------------|-------------------------|
| Secured Borrowings | | |
| Vehicle Loan From Banks | 1,054,978 | 3,311,559 |
| State Bank of India Term Loan | 26,451,882 | 19,465,696 |
| Total (A) | 27,506,860 | 22,777,255 |
| Unsecured Borrowings | | |
| Form Directors | - | - |
| Form Body Corporates | - | - |
| Total (B) | - | - |
| Total (A+B) | 27,506,860 | 22,777,255 |

1. Term loan from State Bank of India was taken during the current financial year and carries effective interest @ 10.00% p.a. The loan is secured by hypothecation of plant and machinery of the Company. Further the loan has been guaranteed by the personal guarantees of some of the directors of the Company.
2. Vehicle loans from banks is secured by hypothecation of respective vehicles of the Company.

Note 5: Long-Term Borrowings:

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|-----------------------------|-----------------------------|
| | ₹ | ₹ |
| Unsecured Borrowings | | |
| Axis Bank Limited (Chanel Finance for Purchase from Balco) | 98,452,470 | 98,889,356 |
| Secured Borrowings | | |
| State Bank of India Buyer Credit Account | - | 57,551,646 |
| Cash Credit Limit from State Bank Of India (Secured Against Hypothecation of Entire Stock & Debtors, Equitable Mortgage of Lease Hold Land & Plant & Machinery & Personal Guarantee of both the Directors.) | 218,754,698 | 69,432,153 |
| State Bank Of India (LC) (Secured by Margin Money) | 16,267,859 | - |
| State Bank Of India (SLC LIMIT) (Secured Against Hypothecation of Entire Stock & Debtors, Equitable Mortgage of Lease Hold Land & Plant & Machinery & Personal Guarantee of both the Directors.) | - | 10,030,486 |
| Total | 333,475,027 | 235,903,640 |

1. Cash credit and Buyers' Credit from State Bank of India is secured against leasehold land, factory land and commercial office complex in the name of the Company. The cash credit is repayable on demand and carries effective interest @ 10.00% p.a. Further, the credit has been guaranteed by the personal guarantee of the directors of the Company.
2. Financing facility from Axis Bank is unsecured. The loan is repayable on demand and carries effective interest @ 9.00% p.a.

Note 6: Other Current Liabilities

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Advance From Customers | 263,872 | - |
| Employee Related Liabilities | 5,410,695 | 5,123,043 |
| Other Liabilities | 5,655,319 | 6,096,272 |
| Statutory Liabilities | 1,244,756 | 1,029,862 |
| Provision For CSR | 1,219,210.00 | 141,210 |
| Gratuity Payable (Actuarial Certificate) | 337,875.00 | 168,296 |
| Total | 14,131,728 | 12,558,683 |

Note 7: Short Term Provisions

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Provision For Current Taxation | - | 24,024,789 |
| Less : Advance Tax, TDS & TCS | - | 21,704,944 |
| Total | - | 2,319,845 |

Note 8: FIXED ASSETS

| Fixed Assets | Balance as at 1 April 2018 | Additions | Acquired through business combination | Disposals/Transfer | Balance as at 31 March 19 | Balance as at 1 April 2018 | Depreciation charge for the year | Adjustment | Transfer | Balance as at 31 March 2019 | Balance as at 1 April 2018 | Balance as at 31 March 2019 |
|---------------------------------------|----------------------------|--------------------|---------------------------------------|--------------------|---------------------------|----------------------------|----------------------------------|------------|----------|-----------------------------|----------------------------|-----------------------------|
| CWD | | | | | | | | | | | | |
| Air Conditioner | 576,627 | 76,563 | - | - | 653,189 | 520,389 | 38,679 | - | - | 559,068 | 56,238 | 94,121 |
| Wip Plant & Machinery (Rasmada) | - | 1,960,651 | - | - | 1,960,651 | - | - | - | - | - | - | 1,960,651 |
| Aluminium Plant Electrical Equipments | - | 1,637,746 | - | 1,637,746 | - | - | - | - | - | - | - | - |
| Aluminium Plant Office Equipments | - | 89,847 | - | 89,847 | - | - | - | - | - | - | - | - |
| Aluminium Plant & Machinery | 1,631,625 | 28,111,880 | - | 29,743,505 | - | - | - | - | - | 1,631,625 | - | - |
| Aluminium Plant Shed & Building | 4,110,953 | 15,434,046 | - | 19,544,999 | - | - | - | - | - | 4,110,953 | - | - |
| Computer | 2,924,014 | 137,438 | - | - | 3,061,452 | 2,694,589 | 111,779 | - | - | 2,806,368 | 229,425 | 255,084 |
| Computer Erp | 3,984,473 | - | - | - | 3,984,473 | 2,040,012 | 764,246 | - | - | 2,804,258 | 1,944,461 | 1,180,215 |
| Electrical Equipment | 3,449,150 | 1,881,222 | - | - | 5,330,372 | 2,028,335 | 492,307 | - | - | 2,520,642 | 1,420,816 | 2,809,730 |
| Eot | 1,032,697 | - | - | - | 1,032,697 | 600,207 | 78,296 | - | - | 678,503 | 432,490 | 354,194 |
| Factory Shed And Building | 24,194,939 | 22,392,571 | - | - | 46,587,509 | 6,583,951 | 2,388,753 | - | - | 8,972,704 | 17,610,987 | 37,614,805 |
| Fork Lift | 1,844,149 | 1,290,000 | - | - | 3,134,149 | 1,214,231 | 162,025 | - | - | 1,376,256 | 629,918 | 1,757,893 |
| Furniture & Fixtures | 823,607 | 27,350 | - | - | 850,957 | 663,861 | 44,196 | - | - | 708,057 | 159,746 | 142,900 |
| Land | 13,937,562 | 2,845,672 | - | - | 16,783,234 | - | - | - | - | 13,937,562 | 170,677 | 16,783,234 |
| Mobile | 481,068 | 171,834 | - | - | 652,902 | 310,391 | 123,868 | - | - | 434,259 | 170,677 | 218,643 |
| Office Equipment | 447,623 | 138,701 | - | - | 586,323 | 369,913 | 77,726 | - | - | 447,639 | 77,710 | 138,684 |
| Plant & Machinery | 45,031,225 | 33,878,388 | - | - | 78,909,613 | 17,918,522 | 6,714,097 | - | - | 24,632,619 | 27,112,704 | 54,276,995 |
| Rcc Frame) | 3,124,297 | - | - | - | 3,124,297 | 1,412,957 | 83,348 | - | - | 1,496,305 | 1,711,340 | 1,627,992 |
| Truck | 974,000 | - | - | - | 974,000 | 892,797 | 25,363 | - | - | 918,160 | 81,203 | 55,840 |
| Two Wheeler | 261,180 | - | - | - | 261,180 | 229,195 | 5,682 | - | - | 234,877 | 31,985 | 26,303 |
| Vehicles (Four Wheeler) | 16,505,998 | 2,309,883 | - | - | 18,815,881 | 11,710,033 | 1,803,639 | - | - | 13,513,672 | 4,795,965 | 5,302,209 |
| Weighing Machine | 494,533 | 100,800 | - | - | 595,333 | 464,489 | 25,459 | - | - | 489,948 | 30,044 | 105,385 |
| Total (A) | 125,829,719 | 112,484,590 | - | 51,016,097 | 187,298,212 | 49,653,871 | 12,939,463 | - | - | 62,593,334 | 76,175,848 | 124,704,878 |
| GD | | | | | | | | | | | | |
| Air Conditioner | 58,500 | - | - | - | 58,500 | 55,575 | - | - | - | 55,575 | 2,925 | 2,925 |
| Computer | 90,600 | - | - | - | 90,600 | 86,069 | - | - | - | 86,069 | 4,531 | 4,531 |
| Electrical Equipment | 1,337,476 | - | - | - | 1,337,476 | 1,184,142 | 36,657 | - | - | 1,220,799 | 153,334 | 116,677 |
| Factory Shed And Building | 5,150,898 | - | - | - | 5,150,898 | 2,743,376 | 227,073 | - | - | 2,970,449 | 2,407,522 | 2,180,449 |
| Furniture & Fixtures | 2,215 | - | - | - | 2,215 | 2,104 | - | - | - | 2,104 | 111 | 111 |
| Gas Cylinder | 35,521,346 | - | - | - | 35,521,346 | 27,604,914 | 666,263 | - | - | 28,271,177 | 7,916,432 | 7,250,169 |
| LAND | 180,406 | - | - | - | 180,406 | - | - | - | - | 180,406 | 180,406 | 180,406 |
| Plant & Machinery | 13,712,017 | 265,711 | - | - | 13,977,728 | 9,752,075 | 1,196,080 | - | - | 10,948,155 | 3,959,942 | 3,029,573 |
| Trolley | 1,336,255 | - | - | - | 1,336,255 | 1,225,724 | 28,239 | - | - | 1,253,963 | 110,531 | 82,292 |
| Truck | 2,624,252 | - | - | - | 2,624,252 | 1,093,890 | 474,936 | - | - | 1,568,826 | 1,530,362 | 1,055,426 |
| Two Wheeler | 121,522 | - | - | - | 121,522 | 88,867 | 8,002 | - | - | 96,869 | 32,655 | 24,653 |
| Vehicles (Four Wheeler) | 614,300 | - | - | - | 614,300 | 568,227 | 15,358 | - | - | 583,585 | 46,073 | 30,715 |
| Weighing Machine | 62,281 | - | - | - | 62,281 | 59,167 | - | - | - | 59,167 | 3,114 | 3,114 |
| Total (B) | 60,812,068 | 265,711 | - | - | 61,077,779 | 44,464,130 | 2,652,608 | - | - | 47,116,738 | 16,347,938 | 13,961,041 |
| NGP | | | | | | | | | | | | |
| Computer | 170,100 | 23,000 | - | - | 193,100 | 160,309 | 8,666 | - | - | 168,975 | 9,791 | 24,125 |
| Furniture & Fixtures | 1,438,141 | - | - | - | 1,438,141 | 1,263,687 | 45,773 | - | - | 1,309,460 | 174,454 | 128,681 |
| Office Equipment | 216,389 | - | - | - | 216,389 | 180,167 | 14,267 | - | - | 194,434 | 36,222 | 21,955 |
| RCC FRAME) | 3,303,825 | - | - | - | 3,303,825 | 1,090,126 | 107,613 | - | - | 1,197,739 | 2,213,699 | 2,106,086 |
| Two Wheeler | 87,000 | - | - | - | 87,000 | 66,287 | 5,304 | - | - | 71,591 | 20,713 | 15,409 |
| Total © | 5,215,455 | 23,000 | - | - | 5,238,455 | 2,760,576 | 181,623 | - | - | 2,942,199 | 2,454,879 | 2,296,256 |
| GRAND TOTAL (A+B+C) | 191,857,242 | 112,773,301 | - | 51,016,097 | 253,614,446 | 96,878,577 | 15,773,694 | - | - | 112,652,271 | 94,978,665 | 140,962,176 |

Note 9: Non Current Investments

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Investment in Equity Shares (Unquoted) Share Of Sarthak Energy Pvt Ltd (2,50,000 Equity Shares of face value Rs 10/- each) | 7,500,000 | 7,500,000 |
| Total | 7,500,000 | 7,500,000 |

Note 10: Long-Term Loans & Advances

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| (Unsecured, considered good) Security Deposits | 6,720,959 | 6,057,279 |
| Total | 6,720,959 | 6,057,279 |

Note 11: Other Non Current Asset

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Preliminary Exps | 700,003 | 1,225,003 |
| Total | 700,003 | 1,225,003 |

Note 12: Inventories

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Raw Materials and components (Valued at FIFO Method) | 184,803,755 | 121,573,159 |
| Finished goods (Valued at Cost) | 67,478,810 | 28,251,978 |
| CoalStores and spares & Rolls Stock(Valued at Cost) | 5,203,259 | 5,645,170 |
| Oil & Lubricants (Valued at Cost) | 2,931,974 | - |
| Inventory Consumable goods | 35,716 | 46,246 |
| Total | 260,453,515 | 155,516,553 |

Note 13: Trade Receivables

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Outstanding for a period less than six months Unsecured considered good | 206,454,817 | 281,353,263 |
| Less: Provision for doubtful debts | - | - |
| Outstanding for a period exceeding six months Unsecured considered good | 25,908,179 | 9,931,923 |
| Less: Provision for doubtful debts | - | - |
| Total | 232,362,996 | 291,285,186 |

Note 14: Cash & Cash Equivalents

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Balance with Banks | 24,153,020 | 1,505,248 |
| State Bank Of India Fixed Deposit With Bank (Margin Money) | 10,723,521 | 14,260,280 |
| Cash on Hand | 522,656 | 557,965 |
| Total | 35,399,197 | 16,323,493 |

Margin money deposits Rs. 10723521/- are subject to first charge to secure the Company's Line of Credit Buyers' Credit and Bank Guarantees.

Note 15: Short-Term Loans & Advances

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| (Unsecured considered good) Advances to Suppliers & Others | 62,696,210 | 2,86,82,089 |
| Total | 62,696,210 | 2,86,82,089 |

Note 16: Other Current Assets

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Comm Of Custom And Excise | 1,863,092 | 633,122 |
| Income Tax Appeal (11-12) | 213,680 | 213,680 |
| Cst Appeal (08-09) | 231,155 | 220,685 |
| IGST Receivable (Against Exports) | 41,947,594 | - |
| GST Receivable (as on 31st March 2019) | 45,314,467 | 48,641,025 |
| Lease Rent | 266,630 | 23,904 |
| Interest (Interrst for future Accounted for Against Car Loan) | 12,630 | 100,727 |
| Vat & Cst Receivable | 13,105 | 13,105 |
| Income Tax Receivable (FY 17-18) | 94,000 | - |
| Income Tax Receivable (FY 18-19) | 1,628,977 | - |
| Total | 91,585,329 | 49,846,247 |

Note 17: Revenue from Operations

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Sale of products (Refer Note (i) below) | 2,207,454,853 | 1,977,347,557 |
| Sale of services | - | 4,754,736 |
| Other operating revenues (Refer Note (ii) below) | - | - |
| Less: | | |
| Excise duty | - | 32,831,898 |
| VAT & CST | - | 5,179,722 |
| GST | 314,820,698 | 231,482,040 |
| Total | 1,892,634,154 | 1,712,608,633 |

| Note | Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|------|--|----------------------|----------------------|
| | | ₹ | ₹ |
| (i) | Sale of products comprises: | | |
| | <u>Manufactured goods</u> | | |
| | Sales | 1,430,421,785 | 1,446,210,536 |
| | Sales (Consignment) | - | - |
| | Sales (Export) | 430,017,221 | 242,180,995 |
| | Sales (Wire Feeder machine) | - | - |
| | Total - Sale of manufactured goods | 1,860,439,006 | 1,688,391,531 |
| | Traded goods | | |
| | Sales Trading | 28,093,319 | 12,263,866 |
| | Total - Sale of traded goods | 28,093,319 | 12,263,866 |
| | <u>Sale of services</u> | | |
| | Service charges received | - | 4,754,736 |
| | Quality Incentives | - | - |
| | Total - Sale of Services | - | 4,754,736 |
| | Total - Sale of products | 1,888,532,325 | 1,700,655,397 |
| (ii) | Other operating revenues comprises: | | |
| | Cylinder Charges (Maintenance & handling Charges Rent) | - | - |
| | Sales (Scrap) | 2,238,794 | 5,659,793 |
| | Sales (Empty Drum) | 1,863,036 | 1,538,707 |
| | Cylinder Lost | - | - |
| | Total - Other operating revenues | 4,101,829 | 7,198,500 |

Note 18: Other Income

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Duty Drawback | 3,514,505 | 1,887,748 |
| Insurance Claim | - | 2,021,725 |
| Profit on Buyer Credit | - | 4,140,244 |
| Cylinder Lost | 16,000 | 84,000 |
| DIC Interest Subsidy | 555,722 | 15,392 |
| Interest Received | 583,333 | 126,360 |
| Cylinder maintt.& handling charges | - | 274,509 |
| Cylinder rent | 20,316 | 11,381 |
| Profit on sale of fixed Asset | - | 258,318 |
| Profit on foreign currency transactions (Net) | 10,942,856 | 7,588,328 |
| Total | 15,632,732 | 16,408,005 |

Note 19: Cost of Materials Consumed

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|-----------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Opening Stock Raw Material | 121,619,405 | 85,181,671 |
| Add:-Purchases & Expenses (Net) | 1,677,552,308 | 1,484,550,904 |
| | 1,799,171,712 | 1,569,732,576 |
| Less:- Sales | - | - |
| Less:-Closing Stock | 184,839,471 | 121,619,405 |
| Total | 1,614,332,242 | 1,448,113,171 |
| Opening Stock Stores & Spares | 5,645,170 | 2,429,482 |
| Add:-Purchases & Expenses (Net) | 25,502,651 | 24,927,557 |
| | 31,147,820 | 27,357,040 |
| Less:-Closing Stock | 5,203,259 | 5,645,170 |
| Total | 25,944,561 | 21,711,870 |
| Grand Total | 1,640,276,803 | 1,469,825,041 |

(* Including value of Import On CIF Basis)

Note 20: Change in Inventories

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Opening Stock Of Finished Goods | 28,251,978 | 13,905,442 |
| Opening Stock Of Finished Goods(WIP) | - | 1,255 |
| | 28,251,978 | 13,906,697 |
| Less: Closing Stock Of Finished Goods | 67,478,810 | 28,251,978 |
| Less: Closing Stock Of Finished Goods(WIP) | - | - |
| | 67,478,810 | 28,251,978 |
| Total | (39,226,832) | (14,345,282) |

Note 21: Employee Benefit Expenses

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---------------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Salary & Allowances | 33,786,782 | 28,902,651 |
| Leave Salary | 201,811 | 1,092,499 |
| Bonus Exps | 3,015,928 | 2,312,130 |
| Labour Payment | 6,834,618 | 2,804,580 |
| Gratuity(Based On Acturial Valutaion) | 1,749,653 | 981,285 |
| Staff & Labour Welfare | 758,522 | 676,609 |
| Provident Fund | 1,399,713 | 1,387,342 |
| Director Remuneration | 6,150,000 | 5,400,000 |
| ESIC Exps. | 670,109 | 525,992 |
| Total | 54,567,136 | 44,083,088 |

Note 22: Finance Costs

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Interest expenses | | |
| To Bank & Cash Credit Limit | 24,945,761 | 12,837,981 |
| To Others | 4,114,423 | 13,325,350 |
| To Vehicle loans | 274,236 | 165,637 |
| To On LC/Buyers Credit facility | 3,663,611 | 1,095,156 |
| Interest on other facilities | 410,449 | 313,158 |
| Bank Charges & Commission | 5,317,046 | 6,839,586 |
| Total | 38,725,526 | 34,576,868 |

Note 23: Other Expenses

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Amortized Exps | 525,000 | 240,000 |
| Clearing And Forwarding | 19,012,051 | 27,537,019 |
| Commission & Brokerage | 2,171,397 | 2,344,115 |
| Computer/ERP Exps | 402,467 | 858,302 |
| Consumable stores | 248,252 | 800,952 |
| Corporation Tax | 20,631 | 4,516 |
| Cylinder Expenses | 288,957 | 344,068 |
| Destination Exps | 336,635 | 709,263 |
| Donation Expenses | - | 5,400 |
| Entry Tax | - | 5,000 |
| Garden Exps | 28,063 | 36,113 |
| Gas Expenses | - | 94,127 |
| Insurance | 2,704,592 | 1,612,207 |
| Lease Rent Factory Licence & Rent Expenses | 982,418 | 2,057,611 |
| Legal & Professional Expenses | 1,840,391 | 1,210,984 |
| Loading And Unloading | 279,210 | 97,835 |
| Loss on Consignment Sale | 818,904 | 57,498 |
| Member Fees & Subscription | 309,025 | 142,850 |
| Office Exps. | 2,511,274 | 1,082,521 |
| Oil & Lubricant | 7,269,418 | 1,116,361 |
| Payment To Auditors | 300,000 | 250,000 |
| Postage & telegram exp. | 9,420 | 8,783 |
| Power Charges | 22,309,392 | 22,340,408 |
| Printing & Stationery | 747,188 | 651,199 |
| Professional Tax | 17,535 | 17,500 |
| Property Tax | 51,568 | 51,070 |
| Sales Promotion | 871,455 | 322,783 |
| Sales Tax (CST & CGST) | 1,053 | 390 |
| Security Guard Exps | 1,313,065 | 987,734 |
| Service Charges | - | 1,669,297 |
| Sundry Balance Write Off | 283,173 | 12,915 |
| Telephone Expenses | 330,207 | 550,733 |
| Testing Charges | 95,415 | 789,666 |
| Transportation Exps | 29,672,147 | 25,884,701 |
| Traveling & Convyance Exps(Includes Foreign Traveling Exps) | 3,190,770 | 1,710,883 |
| Vehicle Maintaince & Petrol | 2,245,301 | 1,968,918 |
| Water Charges | 9,156 | 9,331 |
| Weigment Charges | 85,888 | 66,685 |
| Loss on Buyers Credit | 1,976,445 | - |
| Rate & Qty. Diff. | 919,519 | - |
| CSR Expenditure | 2,440,000 | - |
| Repair & Maintenance | 5,344,959 | 2,122,530 |
| Total | 111,962,341 | 99,772,267 |

Note 24: Exceptional Items

| Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Debit/(Credit) pertaining To Earlier Year (IT) | 563,485 | 1,158,120 |
| Total | 563,485 | 1,158,120 |

Note 25: Additional Notes to Accounts

a. Contingent liability not provided for :

| Sl. No. | Particulars | As at 31 March, 2019 | As at 31 March, 2018 |
|---------|--|----------------------|----------------------|
| | | ₹ | ₹ |
| (a) | Demand Raised By Income Tax Deptt. | - | - |
| (b) | Demand Raised By Commercial Tax Deptt. | - | - |
| | Less : Amount Paid For Appeals Preferred | - | - |
| | Net liability | - | - |
| (c) | Bank Guarantee/LC Outstanding | 17,094,459 | 5,519,522 |
| | Less : Margin Provided (STDR) | 10,723,521 | 14,260,280 |
| | Net liability | 6,370,938 | (8,740,758) |

b. The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro Small and Medium Enterprises development Act 2006) claiming their status as on 31st March 2018 as micro small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil (previous year: Nil)

C. Expenditure in Foreign Currency

| Particulars | 2018 - 19 | 2017 - 18 |
|--|-----------|-----------|
| | ₹ | ₹ |
| Foreign Tour Expenses (Exchange Purchase Cost) | 1,122,260 | 694,675 |

d. Earnings in foreign currency is Rs. 109.43 lacs (Previous year: Rs.75.88 Lacs)

f. RELATED PARTY TRANSACTIONS:

During the Year ended March 31 2019 the Company has entered into several commercial transactions with its related parties. The details of such transactions and names of related parties & nature of relationship are given below:

| TRANSACTIONS | KEY MANAGEMENT PERSONNEL | RELATIVES OF KEY MANAGEMENT PERSONNEL | ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE BY KEY MANAGEMENT PERSONNEL /RELATIVE OF MANAGEMENT PERSONNEL |
|------------------------|--------------------------|---------------------------------------|---|
| Purchases of Materials | - | - | 156,667,742 |
| Remuneration | 7,800,000 | 5,220,000 | - |
| Transportation Charges | - | - | - |
| Rent | - | - | - |
| Sales of goods | - | - | 213,267,625 |

Party wise transactions:

| S. No. | Party Name | Relation | Amount | Type of Transactions |
|--------|--------------------------------|---|--|--|
| 1 | Shri Anoop Kumar Bansal | Key Management Personnel | 2,400,000.00 450,000.00 | Director Salary Bonus / Incentive |
| 2 | Shri Manoj Kumar Bansal | Relative Key Management Personnel | 2,400,000.00 450,000.00 | President Salary Bonus / Incentive |
| 3 | Shri Sanjay C. Shah | Key Management Personnel | 2,400,000.00 450,000.00 | Director Salary Bonus / Incentive |
| 4 | Shri Mayur Bhatt | Key Management Personnel | 600,000.00 300,000.00 | Director Salary Bonus / Incentive |
| 5 | Shri Gaurav Agarwal | Relative Key Management Personnel | 3,000,000.00 250,000.00 | Staff Salary Bonus / Incentive |
| 6 | Shri Anirudh Singhal | Key Management Personnel | 600,000.00 50,000.00 | Staff Salary Bonus / Incentive |
| 7 | Itika Singhal | Key Management Personnel | 345,000.00 | Staff Salary |
| 8 | Shri Samarth Bansal | Relative Key Management Personnel | 600,000.00 50,000.00 | Staff Salary Bonus / Incentive |
| 9 | Sakshi Bansal | Relative Key Management Personnel | 300,000.00 25,000.00 | Staff Salary Bonus / Incentive |
| 10 | Shalini Shah | Relative Key Management Personnel | 720,000.00 | Staff Salary |
| 11 | Jaya Bhatt | Relative Key Management Personnel | 600,000.00 50,000.00 | Staff Salary Bonus / Incentive |
| 12 | Bansal Brothers (Trading Div.) | ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE | 16,772,995.00 437,562.90 725,677.10 56,428.79 12,000.00 11,311.00 | Purchase Raw Material Purchase of Consumable Goods Factory Shed & Building Plant & Machinery Repair & Maint. Machine Repair & Maint. Building |
| 13 | Bansal Brothers (FAD) | ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE | 139,457,184.11 | Purchase Raw Material |

Notes:**Name of Related Parties: -****1. KEY MANAGEMENT PERSONNEL :**

Shri Anoop Kumar Bansal- Managing Director

Shri Kishor Kumar Bansal-Director

Shri Sanjay Shah-Whole Time Director

Shri Anirudh Singhal-CFO

Shri Mayur Bhatt-Whole Time Director

Mr. Chetan Kumar-Director

Mrs Rama Kohli-Director

CS Itika Singhal-Company Secretary

2. RELATIVES OF KEY MANAGEMENT PERSONNEL:

Shri Manoj Kumar Bansal

Shri Samarth Bansal

Smt. Sakshi Bansal

Smt. Shalini Shah

Smt. Jaya Bhatt

Shri Gaurav Agarwal

3. ENTERPRISES OVER WHICH SIGNIFICANT INFLUENCE EXISTS:

a. Metal Grace Injection Alloys Pvt. Ltd.

b. Bansal Brothers

c. M/s. Sarthak Energy Pvt. Ltd.

g. Previous year's figures are regrouped and reclassified to confirm to this year's classification as per revised Companies Act 2013.

h. Interest Subsidy of Rs. 555722/- had been received from DIC

i. Year end cash balance and Closing stocks are taken as verified and represented by the management.

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

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

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

l DEFERRED TAXES :

The Company follows the depreciation method as per the Companies Act 2013. Deferred tax has been worked out @ 27.82% on the Treatment of Depreciation under the Companies vis-a-vis the Income Tax Act. The Company has provided the Liability / Assets for Deferred Tax under the head Deferred Tax Liability. Accordingly the amount of Deferred Tax Liabilities is as follows:-

| | PARTICULARS | AS AT 31.03.2019 | AS AT 31.03.2018 |
|-----|--|------------------|------------------|
| (a) | Opening balance of DTL (on account of Time Difference) | 356,400.93 | 1,651,201 |
| (b) | Depreciation as per Companies Act for the year | 15,773,694.00 | 92,898,112 |
| (c) | Depreciation as per Income Tax Act for the year | 19,017,137.02 | 91,820,070 |
| (d) | Time Difference (b-c) | (3,243,443.02) | 1,078,042 |
| (e) | Tax Liability @ 27.82 % Liability/ Asset | (902,325.85) | 1,294,800 |
| (f) | Closing balance of DTL (on account of Time Difference) | 1,258,726.78 | 356,401 |

m. Calculation of EPS for the year ended:

| Particulars | 2019 | 2018 |
|---------------------------|------------|------------|
| Net Profit as per P&L A/c | 57,633,514 | 47,558,175 |
| No. of Shares | 13,689,750 | 13,689,750 |
| Basic & Diluted EPS | 4.21 | 3.47 |

n The Company has Rs. 5.69 Lac unrealised gains on foreign currency transactions as on 31st March 2019.

o There is total long term borrowing as on 31st march 2019 is Rs. 2,75,06,860.32 /- out of which instalment payable within Twelve Months is Rs 1,47,69,840 /- .

As per our Report of even date

For BEGANI & BEGANI
CHARTERED ACCOUNTANTS
FRN NO. 010779C

FOR AND ON BEHALF OF BOARD OF DIRECTOR OF SARTHAK METALS LTD.

Sd/-
(NIKHILESH BEGANI)
PARTNER
M.NO. 110603

Sd/-
(ANOOP KUMAR BANSAL)
DIRECTOR
DIN : 01661844

Sd/-
(MAYUR BHATT)
DIRECTOR
DIN : 07586457

Place: RAIPUR (C.G.)
Date: 21/05/2019

Sd/-
(ITIKA SINGHAL)
COMPANY SECRETARY

Sd/-
(ANIRUDH SINGHAL)
CHIEF FINANCIAL OFFICER

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
For the period From 01-April-2018 to 31-March-2019
Note 25 : Segment Reporting under AS - 17

| S. No. | Particulars | Cored Wire | | GAS | | Unallocable | | TOTAL | |
|--------------|--------------------------------------|------------------|------------------|---------------|---------------|----------------|----------------|------------------|------------------|
| | | FY 2018-19 | FY 2017-18 | FY 2018-19 | FY 2017-18 | FY 2018-19 | FY 2017-18 | FY 2018-19 | FY 2017-18 |
| A | "Segment Revenue" | | | | | | | | |
| | External Revenue | 2,174,508,117.47 | 1,958,466,834.09 | 33,133,835.20 | 23,635,458.91 | - | - | 2,207,641,952.67 | 1,982,102,293.00 |
| | Inter Segment Revenue | - | - | 187,100.00 | - | - | - | 187,100.00 | - |
| | Gross Turnover | 2,174,508,117.47 | 1,958,466,834.09 | 32,946,735.20 | 23,635,458.91 | - | - | 2,207,454,852.67 | 1,982,102,293.00 |
| | Less: Duties And Taxes | 309,780,181.98 | 269,493,660.00 | 5,040,516.40 | - | - | - | 314,820,698.38 | 269,493,660.00 |
| B | Net Turnover | 1,864,727,935.49 | 1,688,973,174.09 | 27,906,218.80 | 23,635,458.91 | - | - | 1,892,634,154.29 | 1,712,608,633.00 |
| | Segment Result before Taxes | 87,726,233.17 | 74,751,347.91 | (664,289.30) | 1,175,656.66 | (6,527,613.40) | (5,638,841.00) | 80,534,330.47 | 70,288,163.57 |
| | Less: Deferred Tax | 902,325.85 | (1,895,929.19) | - | - | - | - | 902,325.85 | (1,895,929.19) |
| | Less: Current tax | 21,998,490.42 | 24,024,788.88 | - | - | - | - | - | - |
| | Profit After Deferred Tax | 64,825,416.91 | 52,021,359.37 | (664,289.30) | 1,175,656.66 | (6,527,613.40) | (5,638,841.00) | 57,633,514.21 | 47,558,175.03 |
| C | Other Information | | | | | | | | |
| | Segment Asset | 808,418,910.35 | 617,466,875.05 | 22,412,176.01 | 23,825,880.25 | 2,576,237.60 | 2,621,761.35 | 833,407,323.96 | 643,914,516.65 |
| | Segment Liabilities | 402,805,327.27 | 277,740,862.57 | 9,388,807.31 | 5,048,723.00 | - | 27,655.00 | 412,194,134.58 | 282,817,240.57 |
| | Capital Expenditure during the year | 112,484,589.80 | 40,443,416.49 | 265,711.00 | 1,520,295.00 | 23,000.00 | - | 112,773,300.80 | 41,963,711.49 |
| | Depreciation and Amortization | | | | | | | | |
| Depreciation | 12,939,463.00 | 11,130,862.00 | 2,652,608.00 | 2,157,812.00 | 181,623.00 | 211,615.00 | 15,773,694.00 | 13,500,289.00 | |
| Amortization | - | - | - | - | - | - | - | - | - |

SARTHAK METALS LIMITED
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)

Notes to financial statements for the year ended March 31, 2019

Note 26 - Employee Benefits Under AS-15

Employee Benefits

A. Provident Fund Contribution

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. This is post-employment benefit and is in the nature of defined contribution plan. The contribution made by the Company during the year is Rs 13,87,342/- (previous year: Rs 7,82,174).

B. Gratuity*

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

Amount to be recognized in the Statement of Profit & Loss

| Description | As at 31 March, 2019 | As at 31 March, 2018 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Current Service Cost | 820,096.00 | 509,962.00 |
| Interest Cost | 180,265.00 | 102,301.00 |
| Net Actuarial Gain recognized during the year | 749,292.00 | 369,022.00 |
| | 1,749,653.00 | 981,285.00 |

Amounts to be recognized in the Balance Sheet

| Description | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Present Value of the Obligation at the end of the year | 4,087,714.00 | 2,338,061.00 |
| Fair value of plan assets at the end of the year | - | - |
| Net Liability recognized in Balance Sheet | 4,087,714.00 | 2,338,061.00 |
| Current Portion | 337,875.00 | 168,296.00 |
| Non-Current Portion | 3,749,839.00 | 2,169,765.00 |

Changes in the Present Value Obligation

| Description | As at 31 March, 2019 | As at 31 March, 2018 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Present Value of the Obligation at the beginning of the year | 2,338,061.00 | 1,356,676.00 |
| Current Service Cost | 820,096.00 | 509,962.00 |
| Interest Cost | 180,265.00 | 102,031.00 |
| Actuarial gain recognized during the year | 749,292.00 | 369,022.00 |
| Present value of obligation as at the end of the year | 4,087,714.00 | 2,338,061.00 |

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

| Description | As at 31 March, 2019 | As at 31 March, 2018 |
|------------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Discounting Rate (Per annum) | 7.65% | 7.71% |
| Future Salary Increase (Per annum) | 10.00% | 10.00% |
| Mortality | IALM (2006-08) | IALM (2006-08) |
| Withdrawal Rate | | |
| - Upto 30 Years (per annum) | 5.00% | 5.00% |
| - From 31 to 44 Years (per annum) | 3.00% | 3.00% |
| - Above 44 years (per annum) | 2.00% | 2.00% |

C. Compensated Absences

| Description | As at 31 March, 2019 | As at 31 March, 2018 |
|------------------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Discounting Rate (Per annum) | 7.65% | 7.71% |
| Future Salary Increase (Per annum) | 10.00% | 10.00% |
| Mortality | IALM (2006-08) | IALM (2006-08) |
| Withdrawal Rate | | |
| - Upto 30 Years (per annum) | 5.00% | 5.00% |
| - From 31 to 44 Years (per annum) | 3.00% | 3.00% |
| - Above 44 years (per annum) | 2.00% | 2.00% |

*In the previous year Company acknowledged the fact that the actuarial valuation is applicable on the Company as per Accounting Standard-15 (Revised). Accordingly, the actuarial liability for gratuity was made in the previous year and actuarial liability for gratuity has been recognised for the previous years as part of prior period adjustment.

SARTHAK METALS LIMITED

The Company follows the depreciation method as per the Companies Act 2013. Deferred tax has been worked out @ 27.82% on the Treatment of Depreciation under the Companies vis-a-vis the Income Tax Act. The Company has provided the Liability / Assets for Deferred Tax under the head Deferred Tax Liability. Accordingly the amount of Deferred Tax Liabilities is as follows:-

CALCULATION OF DEFERRED TAX LIABILITY AS ON 31.03.2019

D.T.L. FOR PREVIOUS YEAR:

| | | |
|--|-----------------------|--------------|
| DEP AS PER I.T. ACT AS ON 31.03.2019 | 19,017,137.02 | |
| DEP AS PER BOOKS OF ACCOUNTS AS ON 31.03.2019 | <u>15,773,694.00</u> | |
| D.T.L. @ 27.82% OF RS. TO BE TAKEN IN P/L A/C | <u>(3,243,443.02)</u> | (902,325.85) |

| | |
|--|--------------|
| D.T.L. ALREADY RECOGNISED IN BOOKS OF A/C. | 356,400.59 |
| D.T.L. TO BE CHARGED TO THIS YEAR (NET) | 1,258,726.44 |

ATTENDANCE SLIP

**24th Annual General Meeting on Wednesday,
The 28th August, 2019 at 11 A.M.**

Regd. Folio No. _____

DP ID _____

Client ID/Ben. A/C _____

No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 24th Annual General Meeting of the Company on Wednesday, 28th August, 2019 at 11.A.M. at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

**Form No. MGT-11
Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]
CIN: L51102CT1995PLC009772

Name of the Company: SARTHAK METALS LIMITED

Registered office: B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/ We being the member of, holding.....shares, hereby appoint

1. Name: **2. Name:**

Address: **Address:**

E-mail Id: **E-mail Id:**

Signature:, or failing him **Signature:**, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 24th Annual General Meeting of members of the Company, to be held on Wednesday, 28th August, 2019 at the B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 registered office of the Company at 11 A. M., and at any adjournment thereof in respect of such resolutions as are indicated below:

Affix Revenue Stamp

| Sr. No. | Resolutions | For | Against |
|--------------------------|---|-----|---------|
| ORDINARY BUSINESS | | | |
| 1. | To receive, consider and adopt, financial statements for the year ended 31st March, 2019 together with the Report of Board of Director's and Auditor's thereon. | | |
| 2. | To declare dividend on equity shares for the financial year 2018-19 | | |
| SPECIAL BUSINESS | | | |
| 3 | To consider and approve increase in remuneration of Mr. Manoj Kumar Bansal and holding an office or place of profit in the Company. | | |

Signed this day of..... 2019 Signature of Shareholder Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.





SARTHAK METALS LIMITED

(Formerly : Sarthak Metals Marketing Private Limited)

CIN: L51102CT1995PLC009772

Registered Office:

B.B.C. Colony, Khursipar, G.E. Road,
Bhilai, Chhattisgarh-490011