

Date: 04/08/2020

To

**BSE Limited**  
**Corporate Relationship Department**  
**Phiroze Jeejeebhoy Towers,**  
**25<sup>th</sup> Floor, Dalal Street,**  
**Fort, Mumbai-400001**

Scrip Code: 540393

Dear Sir/Madam,

**Sub: Notice of 25<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the FY 2019-20**

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 25<sup>th</sup> AGM of the Company and the Annual Report for the FY 2019-20. The same can also be downloaded from our website from the link below:

Link of annual report: [Annual Report - SML - Financial Year 2019-20](#)

We request you to please take the same on record.

Thanking You,

Yours faithfully,

**For Sarthak Metals Limited**



**Itika Singhal**

**Company Secretary and Compliance Officer**



**SARTHAK METALS LIMITED**

(Formerly : Sarthak Metals Marketing Private Limited)



# ANNUAL REPORT

## 2019-20



## BOARD OF DIRECTORS

<b>Mr. Anoop Kumar Bansal</b>	Chairman and Managing Director
<b>Mr. Mayur Bhatt</b>	Whole Time Director
<b>Mr. Sanjay Shah</b>	Whole Time Director
<b>Mr. Chetan Kumar</b>	Non-Executive Independent Director
<b>Mrs. Rama Kohli</b>	Non-Executive Independent Director
<b>Mr. Kishore Kumar Bansal</b>	Non-Executive Non-Independent Director
<b>Mr. Sunil Kumar Agarwal</b>	Non- Executive Non- Independent Director
<b>Mr. Dwadasi Venkata Giri (From July 31, 2020)</b>	Non-Executive 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

## BANKERS

State Bank of India  
Axis Bank

## REGISTERED OFFICE

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

## 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

## 25<sup>th</sup> ANNUAL GENERAL MEETING

DAY, DATE, TIME  
Wednesday, 9<sup>th</sup> September 2020 at 11 A.M.

## ANNUAL GENERAL MEETIG VENUE

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

## BOOK CLOSURE

2<sup>nd</sup> September 2020 to  
9<sup>th</sup> September 2020 to

## WEBSITE

[www.sarthakmetals.com](http://www.sarthakmetals.com)



# INDEX

Sr. No.	Particulars	Page No.
1	Chairman's Message	1
2	Notice for the AGM	2-13
3	Directors Report	14-23
4	Annexures to Directors Report	24-39
4a.	Annexure A	24
4b.	MGT-9 Annexure B	25-34
4c.	Annexure C	35-36
4d.	Form AOC - 1	37-38
4e.	Form AOC - 2	39
5	Management Discussion & Analysis	40-41
6	Secretarial Report	42-44
7	Independent Auditors Report	45-51
8	Audited Financial Statements	52-55
9	Cash Flow Statement	56-57
10	Notes forming part of Financial Statement	58-78
11	Attendance Slip	79
12	Proxy Form	80
13	Route Map	81

## *Chairman's Message*

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the Financial Year 19-20. This financial year has been particularly unforgiving for the steel industry with the industry seeing multiple consolidations and contraction in demand. The double edged sword of weak domestic demand and cheaper imports kept the sales for your company's products below projected levels. The contraction in demand was attributed to mostly decline in auto sector sales and low infrastructure spend by the government.

Your company has clocked a 14.46% turnover growth as compared to FY2019. The steel industry continues to place trust in your company for all its critical alloys needs. Your company's ability to cater needs of all major steel plants in India even in periods of uncertain demand shows better supply chain forecasting than most in the industry. Despite major hurdles of consolidation and changing product portfolios of the intra group companies, your company has been successful in scoring all the major orders in the industry. The domestic sales of your company has increased by 31.85% clearly identifying your industry as the brand leader in the Indian Market for all its products.

However, the company had to sacrifice on EBITDA margins to retain market share, which have fallen from 7.11% to 5.73% in FY20 as compared for FY19. Due to cascading effect the PAT & EPS have also suffered a decline of 20%.

Your company did its best production ever in FY 2020 in terms of quantity and turnover. The Aluminum wire rod plant of the company has been performing at 40% capacity and has long term orders from Tata Steel Limited, JSPL & other major steel plants. The cored wire plant is operating at 65% capacity. Your company clearly has a potential to grow significantly as and when aluminum wire rod plant starts operating at optimum capacity without any capital expenditure requirements.

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 25th Annual General Meeting of the members of **Sarthak Metals Limited** will be held on Wednesday, 9th September 2020 at 11:00 A.M. at the Registered office of the Company 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 2020 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 2019-20.
3. To appoint Mr. Kishore Kumar Bansal (DIN: 03067387), who retires by rotation and being eligible offers himself for re-appointment:

**"RESOLVED THAT** pursuant to the provision of section 152(6) of the Companies Act, 2013 and the rules made there under, Mr. Kishore Kumar Bansal (DIN: 03067387) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company."

### SPECIAL BUSINESS

4. The appointment of Mr. Sunil Kumar Agarwal as Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provision of section 152 and 160 of the Companies Act, 2013 and the rules framed hereunder, as amended from time to time, Mr. Sunil Kumar Agarwal (DIN: 08680582) who was appointed as additional director of the company under section 161(1) of Companies Act, 2013 with effect from 1st February 2020, and who holds office as such up to the date of Annual General Meeting, and who has consented in writing to act as a director of the company, be and is hereby appointed as a Non- Executive, Non- Independent, Professional Director of the company on such terms and conditions with further liberty to the Board of Directors of the Company."

**RESOLVED FURTHER THAT**, Mr. Anoop Kumar Bansal, Managing Director of the Company be and is hereby authorized to complete all the necessary formalities in this respect and to file e- form DIR -12 with the Registrar of Companies and to complete all the formalities to give effect to this resolution".

5. Re-appointment of Mr. Anoop Kumar Bansal as Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT**, in accordance with the provision of Sections 196 and 197 and 203 of the Companies Act, 2013, or any amendment thereto or modification thereof read with Schedule V to the Act, this meeting hereby approves the re-appointment of Mr. Anoop Kumar Bansal (DIN: 01661844) as a Director, not liable to retire by rotation, and also as Managing Director of the Company for a period of five years with effect from 22nd August 2019, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting."

**RESOLVED FURTHER THAT**, Mr. Mayur Bhatt, Director of the Company be and is hereby authorized to complete all the necessary formalities in this respect and to file e- form DIR -12 with the Registrar of Companies and to complete all the formalities to give effect to this resolution".

6. Re-appointment of Mr. Mayur Bhatt as Whole Time Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT**, in accordance with the provision of Sections 196 and 197 of the Companies Act, 2013, or any amendment thereto or modification thereof read with Schedule V to the Act, this meeting hereby approves the re-

appointment of Mr. Mayur Bhatt (DIN: 07586457) as a Director, not liable to retire by rotation and also as Whole-Time Director of the Company for a period of five years with effect from 22nd August 2019, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

**RESOLVED FURTHER THAT**, Mr. Anoop Kumar Bansal, Managing Director of the Company be and is hereby authorized to complete all the necessary formalities in this respect and to file e- form DIR -12 with the Registrar of Companies and to complete all the formalities to give effect to this resolution”.

7. Re-appointment of Mr. Sanjay Shah as Whole Time Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT**, in accordance with the provision of Sections 196 and 197 of the Companies Act, 2013, or any amendment thereto or modification thereof read with Schedule V to the Act, this meeting hereby approves the re-appointment of Mr. Sanjay Shah (DIN: 00350967) as a Director, not liable to retire by rotation and also as Whole-Time Director of the Company for a period of five years with effect from 26th August 2019, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

**RESOLVED FURTHER THAT**, Mr. Anoop Kumar Bansal, Managing Director of the Company be and is hereby authorized to complete all the necessary formalities in this respect and to file e- form DIR -12 with the Registrar of Companies and to complete all the formalities to give effect to this resolution”.

8. Appointment of Mr. D.V. Giri as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provision of 149, 152 and 160 of the companies Act, 2013 and the rules framed hereunder, as amended from time to time read with Schedule IV and other applicable provisions of the Companies Act, 2013, Mr. D.V. Giri (DIN: 02565046) who was appointed as additional director of the company under section 161(1) of Companies Act, 2013 with effect from 31st July 2020, and who holds office as such up to the date of Annual General Meeting, and who has consented in writing to act as a director of the company, be and is hereby appointed as a Non- Executive, Independent Director of the company for a term of 5 consecutive years commencing from 31st July 2020 and ending on 1st August 2025;

**RESOLVED FURTHER THAT**, Mr. Anoop Kumar Bansal, Managing Director of the Company be and is hereby authorized to complete all the necessary formalities in this respect and to file e- form DIR -12 with the Registrar of Companies and to complete all the formalities to give effect to this resolution”.

**Registered Office:**

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

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

E-mail: [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com), [cfo@sarthakmetals.com](mailto:cfo@sarthakmetals.com)

website: [www.sarthakmetals.com](http://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. 4,5,6,7 & 8 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, 2nd September 2020 to Wednesday, 9th September 2020. (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 10days 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 25th AGM 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. 4**

The Board of Directors of the Company at the meeting held on 22nd January 2020 on the recommendation of the Nomination & Remuneration Committee, appointed in terms of Section 161 of the Companies Act, 2013, Mr. Sunil Kumar Agarwal as Additional Non- Executive Non- Independent Professional Director of the Company with effect from 1st February 2020.

Mr. Sunil Kumar Agarwal will vacate office at this Annual General Meeting. The Board at the aforesaid meeting, on the recommendation of the Committee, recommended for the approval of the Members, the appointment of Mr. Sunil Kumar Agarwal as a Non- Executive Non- Independent Professional Director of the Company as set out in the resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Sunil Kumar Agarwal has been received by the Company, and consent has been filed by Mr. Sunil Kumar Agarwal pursuant to Section 152 of the Act.

Mr. Sunil Kumar Agarwal, son of Mr. Pyarelal Agarwal, aged 64 years has retired as an Additional Member of Ministry of Railways. He joined Indian Railway Traffic Service (allied service of IAS) in 1980 and served as a Divisional Railway Manager Nagpur and as Chief Commercial Manager SEC Rly, Chief Operating Manager South Central Railway Hyderabad and as an Additional Member, Ministry of Railways, (Equivalent to Additional Secretary to Govt. of India).

Mr. Sunil Kumar Agarwal interested in this resolution. None of other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this resolution. Mr. Sunil Kumar Agarwal is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board recommends this resolution for your approval.

**Item No. 5**

The Board of Directors of the Company at their meeting held on 13th November 2019 proposed appointment of Mr. Anoop Kumar Bansal as a Managing Director of the Company for a period of five years with effect from 22nd August 2019.

**DETAILS AS REQUIRED UNDER SCHEDULE V****I. General Information:**

- Nature of Industry: Ancillary Unit of Iron & Steel Plants
- Date or expected date of commencement of commercial production: Not applicable (Company is an existing company).
- Financial Performance based on given indicators:

**(In Lakhs)**

Particulars	Current Year as on 31.03.2020	Previous Year as on 31.03.2019
Total Income	215,26.21	190,82.67
Less: Expenditure & Depreciation	208,80.41	182,71.69
Less: Exceptional items	4.42	5.63
Profit before Tax (PBT)	641.37	805.34
Less: Tax (including deferred tax)	179.04	229.00
Profit After Tax (PAT)	462.33	576.34

- Foreign Investments or collaboration if any: Not Applicable

## II. Information about the Appointee:

The profile of Mr. Anoop Kumar Bansal is as follows:

<b>Background details</b>	Anoop Kumar Bansal is the Chairman and Managing Director and one of the Promoters of our Company. He has completed his bachelor's in commerce (B.com) from Nagpur University. He has more than 30 years of experience in the business and industry. He conceptualized several innovative commercial ideas and implementation of the same has resulted in huge success of our Company. He has been on the Board of our Company since inception and is appointed as the Chairman and Managing Director of our Company since August 21, 2016.
<b>Past remuneration</b>	Rs 36,00,000/- paid as remuneration during the year ended on 31.03.2020
<b>Job profile and his suitability</b>	Mr. Anoop Kumar Bansal renders services as the Managing Director to the Company. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the re-appointment of Mr. Anoop Kumar Bansal as Managing Director for further period of 5 years w.e.f. 22nd August 2019.
<b>Remuneration proposed</b>	As given in Annexure A
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Mr. Anoop Kumar Bansal has vast experience in Management. Mr. Bansal has rich experience of handling various areas of business and is well known in retail industry. Mr. Bansal has started a lot of new initiatives in the Company since he joined as Managing Director. Considering the general industry and the specific company profile the proposed remuneration is in line with the industry levels and that of comparatively placed Companies in India.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	Mr. Anoop Kumar Bansal is the Chairman and Managing Director and one of the Promoters of our Company. He holds 1145250 shares in the Company. Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal are related as brothers.

## III. Other Information:

**(a) Reasons for loss or inadequate profit:** In the Financial Year ended 31st March 2020, the Company made Profit after Tax Rs 462.33 lakhs.

The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

**(b) Steps taken or proposed to be taken for improvement-Not Applicable**

**(c) Expected increase in productivity and profits in measurable terms-Not Applicable**



## Annexure A

Following are the details of the salary payable to him along with other perquisites:

### i) Remuneration: Rs 300,000/- per month

- Basic Salary: Rs. 300,000/- per month. Perquisites shall be valued as per Income tax Rules
- In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Anoop Kumar Bansal as minimum remuneration.
- Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Anoop Kumar Bansal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act, 2013, if and to the extent necessary, with the approval of the Central Government.

Overall monthly remuneration including perquisites shall not exceed Rs. 300,000/- (Rupees Three Lakhs only).

No Director of the Company except Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal and their relatives are deemed to be directly or indirectly interested in passing this resolution.

No KMP is deemed to be directly or indirectly interested in passing this resolution.

The Directors of your Company recommends these resolutions for your approval as a Special Resolution.

### Item No. 6

The Board of Directors of the Company at their meeting held on 13th November 2019 proposed appointment of Mr. Mayur Bhatt as a Whole-Time Director of the Company for a period of five years with effect from 22nd August 2019.

### DETAILS AS REQUIRED UNDER SCHEDULE V

#### I. General Information:

- Nature of Industry: Ancillary Unit of Iron & Steel Plants
- Date or expected date of commencement of commercial production: Not applicable (Company is an existing company).
- Financial Performance based on given indicators.

(In Lakhs)

Particulars	Current Year as on 31.03.2020	Previous Year as on 31.03.2019
Total Income	215,26.21	190,82.67
Less: Expenditure & Depreciation	208,80.41	182,71.69
Less: Exceptional items	4.42	5.63
Profit before Tax (PBT)	641.37	805.34
Less: Tax (including deferred tax)	179.04	229.00
Profit After Tax (PAT)	462.33	576.34

- Foreign Investments or collaboration if any: Not Applicable

## II. Information about the Appointee:

The profile of Mr. Mayur Bhatt is as follows:

Background details	Mr. Mayur Bhatt is the Whole Time Director of our Company. He has completed his Bachelors in Arts (B.A), from Guru Ghasidas University, Bilaspur, Chhattisgarh. He has also completed his Diploma in Electrical Engineering from Madhya Pradesh Board of Technical Education, Bhopal. He has more than 15 years of experience in the industry, and he has been associated with our Company since 2005 in various roles & responsibilities, presently he is heading the operations department. He is appointed as a Whole Time Director of our company since August 21, 2016.
Past remuneration	Rs 600,000 paid as remuneration during the year ended on 31.03.2020
Job profile and his suitability	His current term of appointment as a Whole Time Director of the Company expired on 20th August 2019. Considering his knowledge of various aspects relating to the Company affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Mayur Bhatt should be continued with Company.
Remuneration proposed	As given in Annexure A
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	In the present challenging business environment, the duties and responsibilities of Mr. Mayur Bhatt as Whole Time Director have grown manifold. There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company, which has necessitated his increased focus and higher involvement in Company's matters. In these tough times, it is imperative that the Company's growth strategy continues under the guidance and leadership of Mr. Mayur Bhatt with his rich experiential background. In view of the above, the proposed remuneration package is commensurate to prevailing levels in the industry and thereby is fit and justified for payment.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Mayur Bhatt has a relationship with the Company as Whole Time Director only. He holds 454050 shares in the Company and does not have any other pecuniary relationship.

## III. Other Information:

(a) **Reasons for loss or inadequate profit:** In the Financial Year ended 31st March 2020, the Company made Profit after Tax Rs 462.33 lakhs.

The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

(b) **Steps taken or proposed to be taken for improvement-Not Applicable**

(c) **Expected increase in productivity and profits in measurable terms -Not Applicable**

## Annexure A

Following are the details of the salary payable to him along with other perquisites:

### i) Remuneration: Rs. 100,000/- per month

- Basic Salary: Rs. 100,000/- per month. Perquisites shall be valued as per Income Tax Rules
- In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Mayur Bhatt as minimum remuneration.
- Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Mayur Bhatt, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act, 2013, if and to the extent necessary, with the approval of the Central Government.

Overall monthly remuneration including perquisites shall not exceed Rs. 100,000/- (Rupees One Lakh only).

No Director and Key Managerial Personnel of the Company are deemed to be directly or indirectly interested in passing this resolution.

The Directors of your Company recommends these resolutions for your approval as a Special Resolution.

### Item No. 7

The Board of Directors of the Company at their meeting held on 13th November 2019 proposed appointment of Mr. Sanjay Shah as a Whole-Time Director of the Company for a period of five years with effect from 26th August 2019.

### DETAILS AS REQUIRED UNDER SCHEDULE V

#### I. General Information:

- Nature of Industry: Ancillary Unit of Iron & Steel Plants
- Date or expected date of commencement of commercial production: Not applicable (Company is an existing company).
- Financial Performance based on given indicators:

(In Lakhs)

Particulars	Current Year as on 31.03.2020	Previous Year as on 31.03.2019
Total Income	215,26.21	190,82.67
Less: Expenditure & Depreciation	208,80.41	182,71.69
Less: Exceptional items	4.42	5.63
Profit before Tax (PBT)	641.37	805.34
Less: Tax (including deferred tax)	179.04	229.00
Profit After Tax (PAT)	462.33	576.34

- Foreign Investments or collaboration if any: Not Applicable

## II. Information about the Appointee:

The profile of Mr. Sanjay Shah is as follows:

<b>Background details</b>	Mr. Sanjay Shah is the Whole Time Director and one of the Promoters of our Company. He has more than 30 years of experience in the business and industry and he is heading the Sales and Marketing division of our Company. He is also involved in oversight of day-to-day affairs of the Company, as a Whole-Time director. He has been on the Board of our Company since January 02, 2003 and is approved as the Whole Time Director of our company since August 24, 2016.
<b>Past remuneration</b>	Rs 36,00,000 paid as remuneration during the year ended on 31.03.2020
<b>Job profile and his suitability</b>	Mr. Sanjay Shah renders services as Whole Time Director of the Company. Considering his knowledge of various aspects relating to the Company affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Sanjay Shah, should be continued with Company.
<b>Remuneration proposed</b>	As given in Annexure A
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Mr. Sanjay Shah has vast experience to deal with day-to-day affairs of the Company, as a Whole Time Director. Mr. Shah has experience of handling various areas of business and expert in formulation of good strategy which required for the development of the business. Mr. Shah is continuously running the operations of the Company in good as well as in difficult times. In the present challenging situation, it is inevitable that the Company's growth strategy continues under the continued guidance of Mr. Sanjay Shah. Considering their general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed Companies in India.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.</b>	Mr. Sanjay Shah is the Whole Time Director and one of the Promoters of our Company. He holds 585950 shares in the Company and does not have any other pecuniary relationship.

## III. Other Information:

**(a) Reasons for loss or inadequate profit:** In the Financial Year ended 31st March 2020, the Company made Profit after Tax Rs 462.33 lakhs.

The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

**b) Steps taken or proposed to be taken for improvement-Not Applicable**

**c) Expected increase in productivity and profits in measurable terms-Not Applicable**

## Annexure A

Following are the details of the salary payable to him along with other perquisites:

### i) Remuneration: Rs. 300,000/- per month

- (a) Basic Salary: Rs. 300,000/- per month. Perquisites shall be valued as per Income Tax Rules
- (b) In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Sanjay Shah as minimum remuneration.
- (c) Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Sanjay Shah, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act, 2013, if and to the extent necessary, with the approval of the Central Government.

Overall monthly remuneration including perquisites shall not exceed Rs. 300,000/- (Rupees Three Lakhs only).

No Director and Key Managerial Personnel of the Company are deemed to be directly or indirectly interested in passing this resolution.

The Directors of your Company recommends these resolutions for your approval as a Special Resolution.

### Item No. 8

Mr. D.V. Giri (DIN: 02565046) was appointed by the Board at its meeting held on 31st July 2020 as an Independent Director subject to approval of the Members.

A notice has been received from a member proposing Mr. D.V. Giri (DIN: 02565046) as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. D.V. Giri (DIN: 02565046) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

Mr. D.V. Giri (DIN: 02565046) does not hold any shares in the Company.

The Resolution seeks the approval of Members for the appointment of Mr. D.V. Giri as a Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder.

No Director or Key Managerial Personnel of the Company and/ or their relatives, except Mr. D.V. Giri in his personal capacity for whom the Resolution relates, are interested or concerned in the Resolution.

### 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**

## ANNEXURE TO NOTICE

### DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.

Name of Director	Mr. Kishore Kumar Bansal	Mr. Anoop Kumar Bansal	Mr. Mayur Bhatt	Mr. Sunil Kumar Agarwal	Mr. Sanjay Shah	Mr. D.V. Giri
Director Identification Number (DIN)	03067387	01661844	07586457	08680582	00350967	02565046
Date of Birth	19-08-1968	28-07-1967	11-12-1978	29-10-1955	06-02-1962	23-06-1961
Age	51 years	52 years	41 years	64 Years	58 years	59 years
Qualification	Under Matriculation	B.com	B.A. & Diploma in Electrical Engineering	BE (Mech) (Hons)	B.com (First Year)	M.com, LLB, CA IIB
Experience	More than 25 years	More than 30 years	More than 15 years	More than 30 years	More than 30 years	He has vast experience in banking and finance
Terms and Condition of Appointment	Non- Executive Non- Independent Director, liable to retire by rotation	As per annexure- A of item No.6	As per annexure- A of item No.7	Non- Executive Non- Independent, Professional Director, liable to retire by rotation	As per annexure- A of item No.8	Non- Executive Independent Director, not liable to retire by rotation
Remuneration last Drawn	NIL	36,00,000	600,000	NIL	36,00,000	NIL
Nature of Expertise in specific functional areas	He has over 25 years of experience in the metals trading business and industry	He has more than 30 years of experience in the business and industry. He is currently involved in the supervision of our Company	He has more than 15 years of experience in the industry. He is heading the Operations departments	He has more than 30 years of experience in Ministry of Railways. He is rendering professional advice to our Company.	He has more than 30 years of experience in the business and industry and he is heading the Sales and Marketing division of our Company.	He has vast experience in banking and finance
Date of first appointment	July 28, 1995	July 28,1995	August 21, 2016	1st February, 2020	January 02, 2003	31st July, 2020
Number of shares held in the Company	741000 shares	1145250 shares	454050 shares	320000 shares	585950 shares	NIL

<b>Name of Director</b>	<b>Mr. Kishore Kumar Bansal</b>	<b>Mr. Anoop Kumar Bansal</b>	<b>Mr. Mayur Bhatt</b>	<b>Mr. Sunil Kumar Agarwal</b>	<b>Mr. Sanjay Shah</b>	<b>Mr. D.V. Giri</b>
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal are brothers	Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal are brothers	There is no inter-se relationship with any Key Managerial Personnel of the Company	There is no inter-se relationship with any Key Managerial Personnel of the Company	There is no inter-se relationship with any Key Managerial Personnel of the Company	There is no inter-se relationship with any Key Managerial Personnel of the Company
No. of Board Meetings Attended during the year	4	4	4	0	4	0
Directorships held in other companies	NIL	NIL	Sarthak Energy Private Limited	NIL	NIL	NIL
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship)	NIL	NIL	NIL	NIL	NIL	NIL



## DIRECTORS' REPORT

To

**The Members,**

Your Directors have pleasure in presenting the 25th Annual Report of SARTHAK METALS LIMITED along with the Audited Financial Statements for the year ended 31st March 2020.

### FINANCIAL SUMMARY/HIGHLIGHTS

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

(In Lakhs)

Particulars	Current Year as on 31.03.2020	Previous Year as on 31.03.2019
Total Income	215,26.21	190,82.67
Less: Expenditure & Depreciation	208,80.41	182,71.69
Less: Exceptional items	4.42	5.63
Profit before Tax (PBT)	641.37	805.34
Less: Tax (including deferred tax)	179.04	229.00
Profit After Tax (PAT)	462.33	576.34

### PERFORMANCE REVIEW

Company's turnover has seen a growth of 14%. However, the PAT has declined by almost 20% despite increase in sales. Weak demand & consolidation of steel industry are the main reasons for the decline in profitability. The company has been able to retain market share till now based on its market goodwill and ability to supply in tight situations. However, spot market has declined due to industry consolidations and long term contracts are being negotiated at cut throat prices. To maintain market share your company has had to sacrifice on EBITDA.

### 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 22nd June 2020 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 transferred Rs. 37,981,069/- to the Reserves during the financial year.

### SHARE CAPITAL

The Paid-up Equity share capital of the Company as on 1st April, 2019 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 31st March 2020 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 B appended to the Director's Report. The same is also placed on the website of the Company [www.sarthakmetals.com](http://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 change in the composition of the Board during the year under review.

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

Mr. Sunil Kumar Agarwal (DIN: 08680582) was appointed as an additional Director w.e.f. 1st February 2020 till conclusion of ensuing AGM. Further, Nomination & Remuneration Committee and the Board of Directors have recommended his regularization as a Non- Executive Non- Independent Professional Director.

Mr. D.V. Giri (DIN: 02565046) was appointed as an Independent Director of the company. He has provided his consent to act as an Independent director on the Board of the company and has also provided necessary declaration as to independence.

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and necessary declaration has been obtained from all the Directors in this regard.

The Board also confirms that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority.

## **RE-APPOINTMENT OF DIRECTOR**

In accordance with section 152 of the Companies Act, 2013, Mr. Kishore Kumar Bansal, Non- Executive Non- Independent director of the Company, would retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. Mr. Kishore Kumar Bansal has offered himself for re- appointment.

The Board of Directors on recommendation of the Nomination and Remuneration Committee have approved the re-appointment of Mr. Anoop Kumar Bansal as the Chairman cum Managing Director, Mr. Mayur Bhatt as the Whole Time Director and Mr. Sanjay Shah as the Whole Time Director for a period of five years, subject to approval of the members at the ensuing Annual General Meeting.

## **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 2020 and as per section 173 of the Companies Act the time gap between any two Meetings has not been more than one hundred and twenty days. The dates on which the Board Meetings were held are 21st May 2019, 26th July 2019, 13th November 2019 and 22nd January 2020.

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 2020 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 28/08/2019
		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	No
Mr. Sanjay Shah	Whole Time Director	4	4	0	0	0	Yes
Mr. Mayur	Whole Time Director	4	4	0	0	0	Yes
Mr. Chetan Kumar	Non- Executive Independent Director	4	3	0	0	0	No

\*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, 2020, 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 3 times during the year on 21st May 2019, 13th November 2019 and 22nd January 2020 and the attendance of Members at the Meetings.

Name of Member	Nature of Membership	No. of Meeting(s) attended/held
Mr. Chetan Kumar	Chairman	3/3
Mrs. Rama Kohli	Member	3/3
Mr. Kishore Kumar Bansal	Member	3/3

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

##### (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, 2020, 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 2 times during the year on 13th November, 2019 and 22nd January 2020 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

#### (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 2020, 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 2020.

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, 2020, 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 21st May, 2019 and 13th November 2019 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:

<b>Names and Positions</b>	<b>[A] Ratio of Directors' Remuneration to the median Remuneration of Employees</b>	<b>[B] Percentage (%) increase in Remuneration</b>
MR. CHETAN KUMAR (INDEPENDENT DIRECTOR & CHAIRPERSON)	NIL	Not Applicable
MS. RAMA KOHLI (INDEPENDENT DIRECTOR)	NIL	Not Applicable
MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR)	33.25 Times	Increased by 20.75%
MR. MAYUR BHATT (WHOLE TIME DIRECTOR)	6.24 Times	Decreased by (29.41%)
MR. KISHORE KUMAR BANSAL (DIRECTOR)	NIL	No Change
MR. SANJAY SHAH (WHOLE TIME DIRECTOR)	33.25 Times	Increased by 20.75%
MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER)	6.24 Times	No Change
MRS. ITIKA SINGHAL (COMPANY SECRETARY)	4.21 Times	Increased by 23.03%

The median remuneration of employees of the Company during the financial year was Rs. 96,226 p.a. Please note that only those persons who were employees as on 31st March 2020 have been considered for the calculation of the median salary. Further, no bonus payments have been considered for these calculations.

<b>[C] Percentage increase in the median Remuneration of Employees</b>	Increase of 18%	
<b>[D] Number of permanent Employees on the rolls of Company</b>	272 as on 31st March 2020	
<b>[E] Explanation on the relationship between average increase in Remuneration and Company performance</b>	Sales Increase – 12.81% EBITDA Decrease – (8.98%) PBT Decrease – (20.36%) PAT Decrease – (19.78%) EPS Decrease – (19.71%) <b>Median Salary Increase – 18%</b>	
<b>[F] Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company</b>	The Remuneration of the Key Managerial personnel increased by 3.90% and the company's turnover has increased by 12.81%. Further, the company's EPS decreased by 19.71%.	
<b>[G] Variations in the Market Capitalization of the Company as at 31st March, 2020 as compared to 31st March, 2019</b>	Decrease in market capitalization amounted to 50.18% from 31st March 2019 to 31st March 2020.	
<b>[H] Price Earning Ratio as at 31st March, 2020 as compared to 31st March, 2019</b>	Decrease of 19.71%	
<b>[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</b>	The company was listed as on 27th March 2017 at Rs 30 per equity share. The price per equity share on 31st March 2020 at closing bell was Rs 14.2 per share. The percentage decrease is 52.67%.	
<b>[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</b>	Median Salary of non managerial staff has increased by 18% and also the average salary of managerial staff has increase by 3.90%	
<b>(K) Comparison of the each KMPs Remuneration vis-à-vis the performance of the Company</b>		
<b>Name of KMP</b>	<b>Remuneration of KMP (Rs in Lacs)</b>	<b>Net Profit of Company after tax (Rs in Lacs)</b>
Mr. Anoop Kumar Bansal (Managing Director)	32.00	462.33
Mr. Anirudh Singhal (Chief Financial Officer)	6.00	
Mr. Mayur Bhatt (Whole Time Director)	6.00	
Mr. Sanjay Shah (Whole Time Director)	32.00	
Ms. Itika Singhal (Company Secretary)	4.06	
<b>(L) The key parameters for any variable component of remuneration availed by the directors</b>	No	
<b>(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</b>	Highest paid Directors Remuneration (I) Rs 32,00,000	Remuneration of Ratio Employee receiving remuneration in excess of (I) 1:1



#### **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 in 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 2020.

The Secretarial Audit Report for the financial year ended 31st March 2020 is included as Annexure MR-3 and forms an integral part of this report.

#### **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-C.

#### **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 2020 before the date of report dated 31st July 2020, 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 31.03.2019 (In Rs.)	As on 31.03.2020 (In Rs.)
Foreign exchange earnings	43,00,17,221.20	20,97,45,355.00
Foreign Exchange Outgo	63,16,67,291.91	80,32,05,016.00

#### **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: 31st July 2020

## 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.

**Form No. MGT-9 [ANNEXURE-B]****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March 2020**

[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**  
**Tel: +91-0788-3290584**  
**Fax: +91-0788-2296495**
- 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	Ferro Alloys/Cored wires	27110	52.62
2	Aluminium Wire Flipping Coil	27203	29.59
3	Aluminium products other than 'Aluminium Wire Flipping Coil'	27110	15.53

**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. 01/04/2019				No. of Shares held at the end of the year i.e. 31/03/2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
<b>Individual /HUF</b>	7473700	-	7473700	54.59%	7473700	-	7349700	54.59%	0.00
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
<b>Bodies Corp</b>	933250	-	933250	6.82%	877250	-	877250	6.41%	(0.41%)
Banks/ FI	-	-	-	-	-	-	-	-	-
<b>Any Other DIRECTORS RELATIVES</b>	1229000	-	1229000	8.98%	1285000	-	1285000	9.39%	0.41%
<b>Sub-total (A) (1):-</b>	<b>9635950</b>	<b>-</b>	<b>9635950</b>	<b>70.39%</b>	<b>9635950</b>	<b>-</b>	<b>9635950</b>	<b>70.39%</b>	<b>0.00</b>
<b>(2) Foreign</b>									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding (A)=(A)(1)+ (A) (2)</b>	<b>9635950</b>	<b>-</b>	<b>9635950</b>	<b>70.39%</b>	<b>9635950</b>	<b>-</b>	<b>9635950</b>	<b>70.39%</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-

Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub -Total B(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>Bodies Corporate</b>	<b>742000</b>	-	<b>742000</b>	<b>5.42%</b>	<b>662000</b>	-	<b>662000</b>	<b>4.84%</b>	<b>(0.58%)</b>
<b>(Overseas)</b>	<b>12000</b>	-	<b>12000</b>	<b>0.09%</b>	<b>4000</b>	-	<b>4000</b>	<b>0.03%</b>	<b>(0.06%)</b>
<b>Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	<b>643250</b>	-	<b>643250</b>	<b>4.70%</b>	<b>645250</b>	-	<b>645250</b>	<b>4.71%</b>	<b>0.01%</b>
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	<b>2618550</b>	-	<b>2618550</b>	<b>19.13%</b>	<b>2692550</b>	-	<b>2692550</b>	<b>19.67%</b>	<b>0.54%</b>
c) Others <b>(CLEARING MEMBER)</b>	<b>38000</b>	-	<b>38000</b>	<b>0.28%</b>	<b>50000</b>	-	<b>50000</b>	<b>0.37</b>	<b>0.09%</b>
<b>Sub-total (B)(2):-</b>	<b>4053800</b>	-	<b>4053800</b>	<b>29.61%</b>	<b>4053800</b>	-	<b>4053800</b>	<b>29.61%</b>	<b>0.0%</b>
<b>Total Public Shareholding (B)=(B)(1) +(B)(2)</b>	<b>4053800</b>	-	<b>4053800</b>	<b>29.61%</b>	<b>4053800</b>		<b>4053800</b>	<b>29.61%</b>	<b>0.0%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>13689750</b>	-	<b>13689750</b>	<b>100%</b>	<b>13689750</b>		<b>13689750</b>	<b>100%</b>	<b>0%</b>



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1	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	585950	4.28%	NA	585950	4.28%	NA	0
4	MR. MANOJ KUMAR BANSAL	3782700	27.63%	NA	3782700	27.63%	NA	0
5	MS. SHALINI SHAH	261000	1.91%	NA	305000	2.23%	NA	0.32%
6	MS. CHAMPA BEN SHAH	277200	2.02%	NA	289200	2.11%	NA	0.09%
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	33250	0.24%	NA	1250	0.0091%	NA	-0.23%
15	METAL GRACE INJECTION ALLOYS PRIVATE LIMITED	900000	6.57%	NA	876000	6.39%	NA	-0.18%
16	SAGAR SANJAY SHAH	42000	0.31%	NA	42000	0.31%	NA	0
17	SIDDHARTH SANJAY SHAH	32000	0.23%	NA	32000	0.23%	NA	0.23%
	TOTAL	9,635,950	70.38%		9,635,950	70.38%		0

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

Sl. No.	Particulars	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>MR.ANOOP KUMAR BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>MR. KISHORE KUMAR</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>MR. SANJAY SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>MR. MANOJ KUMAR BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>5</b>	<b>MS. SHALINI SHAH</b>				
	At the beginning of the year	261000	1.91%	305000	2.23%
	Increase in shareholding	44000	0.32%	-	-
	At the End of the year	305000	2.23%	-	-
<b>6</b>	<b>MS. CHAMPA BEN SHAH</b>				
	At the beginning of the year	277200	2.02%	289200	2.11%
	Increase in shareholding	12000	0.09%	-	-
	At the End of the year	289200	2.11%	-	-
<b>7</b>	<b>MANOJ KUMAR BANSAL (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>8</b>	<b>DESH RAJ BANSAL(HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-

<b>9</b>	<b>CHAMANLAL KHUSHALJI SHAH (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>10</b>	<b>ANOOP KUMAR BANSAL (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>11</b>	<b>MS. SANJU BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>12</b>	<b>MS. KIRTI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>13</b>	<b>MS. SIMMI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>14</b>	<b>SARTHAK ENERGY PRIVATE LIMITED</b>				
	At the beginning of the year	33250	0.24%	1250	0.0091%
	Decrease in shareholding	(32000)	(0.2309%)	-	-
	At the End of the year	1250	0.0091%	-	-
<b>15</b>	<b>METAL GRACE INJECTION ALLOYS PRIVATE LIMITED</b>				
	At the beginning of the year	900000	6.57%	876000	6.39%
	Increase in shareholding	(24000)	(0.18%)	-	-
	At the End of the year	876000	6.39%	-	-
<b>16</b>	<b>SAGAR SANJAY SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>17</b>	<b>SIDDHARTH SANJAY SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-

**(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 01/04/2019		Cumulative Shareholding during the year 31/03/2020		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. SANJAY POPATLAL JAIN	222000	1.62%	218000	1.59%	Decrease 4000(-0.03%)
3	MR. HARSH SARAWGI	146000	1.07%	146000	1.07%	0
4	PADMAWATI REALCON PRIVATE LIMITED	-	-	122000	0.89%	Increase 122000(0.89%)
5	MRS. JAYA BHATT	118500	0.87%	118500	0.87%	0
6	MR. PRAKASH CHANDRA BHATT	118000	0.86%	118000	0.86%	0
7	MR. GOPAL AGARWAL	88000	0.64%	88000	0.64%	0
8	MR. PRAMOD KUMAR JAIN	78000	0.57%	78000	0.57%	0
9	NEERU BANSAL	56000	0.40%	56000	0.40%	0
10	GAURAV AGRAWAL	56000	0.40%	56000	0.40%	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Particulars	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		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)	585950	4.28%	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	MR. SUNIL KUMAR AGARWAL	320000	2.34%	320000	2.34%
9	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				
<b>I) Principal Amount</b>	26,25,29,417	9,84,52,470	-	36,09,81,887
<b>II) Interest due but not paid</b>	-	-	-	-
<b>III) Interest accrued but not due</b>	-	-	-	-
Total (i+ii+iii)	26,25,29,417	9,84,52,470	-	36,09,81,887
Change in Indebtedness during the financial year				
* Addition				
* Reduction	(6,89,43,457)	(5,74,68,602)	-	(12,64,12,059)
Net Change	(6,89,43,457)	(5,74,68,602)	-	(12,64,12,059)
Indebtedness at the end of the financial year				
<b>I) Principal Amount</b>	19,35,85,960	4,09,83,868	-	23,45,69,828
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	19,35,85,960	4,09,83,868	-	23,45,69,828

**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	36,00,000	6,00,000	36,00,000	78,00,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	3,00,000	50,000	3,00,000	6,50,000
	(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)	39,00,000	6,50,000	39,00,000	84,50,000
	Overall Ceiling as per the Act	84,00,000	84,00,000	84,00,000	

**B. Remuneration to other directors:**
**(In Rupees)**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount	Total Amount
		MR. CHETAN KUMAR	MRS. RAMA KOHLI	MR. KISHORE KUMAR BANSAL	MR. SUNIL KUMAR AGARWAL		
1.	Independent Directors * Fee for attending board committee meetings * Commission * Other, Salary	NIL	NIL	NIL	NIL	NIL	
	Total (1)	NIL	NIL	NIL	NIL	NIL	
2.	Other Non-Executive Directors * Fee for attending board committee meetings * Commission * Others, please specify	NIL	NIL	NIL	NIL	NIL	
	Total (2)	NIL	NIL	NIL	NIL	NIL	
	Total (B) = (1+2)	NIL	NIL	NIL	NIL	NIL	
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	
	Overall Ceiling as per the Act	within the Ceiling Limit	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	4,35,000	6,50,000	10,85,000	
	(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)	4,35,000	6,50,000	10,85,000	

## 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B.DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

FOR SARTHAK METALS LIMITED

Sd/-  
**ANOOP KUMAR BANSAL**  
 Managing Director  
 01661844

Place: Bilai, Chhattisgrah  
 Date: 31st July 2020



### Annual Report on CSR Activities (Annexure-C)

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.	<p>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 <a href="http://sssfoundation.org">http://sssfoundation.org</a>.</p> <p>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.</p> <p>SML is committed towards providing affordable health and education in the state of Chhattisgarh and is working towards providing sustainable solutions for the same.</p>
2.	The composition of the CSR committee	<p>Composition of the CSR Committee</p> <ol style="list-style-type: none"> <li>1. Mr. Chetan Kumar- Chairman/ Non- Executive &amp; Independent Director</li> <li>2. Mrs. Rama Kohli- Member/ Non- Executive &amp; Independent Director</li> <li>3. Mr. Kishore Kumar Bansal- Member/ Non- Executive &amp; Non-Independent Director</li> </ol>
3.	Average net profit of the company for last three financial years.	Rs 701.096 Lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 14.02 Lacs
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	Rs 14.02 lacs +Rs 6.31 lacs (for FY 2019) = Rs 20.33 lacs
	(b) Amount unspent, if any	Not Applicable
	(c) Manner in which the amount spent during the financial year is detailed below	Rs 21.11 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 31.03.2020)	Amount spent: Direct or through implementing agency
1.	Kalyan Medical Center	Affordable Health	Bhilai	100,000	Rs. 100,000	Rs. 100,000	Direct
2.	Bhagwan Mahavir Jain Relief Trust	Rural Development	Raipur	200,000	Rs. 200,000	Rs. 200,000	Direct
3.	Government Primary Middle School	School Construction	Bhilai	Unplanned	Rs. 2,38,535	Rs. 2,38,535	Direct
4.	Friends of Tribals Society	Rural Development	Jaipur	Unplanned	Rs. 21,000	Rs. 21,000	Direct
5.	Rotary Club	School Construction	Bhilai	Unplanned	Rs. 100,000	Rs. 100,000	Direct
6.	CRY	Affordable Education	Bhilai	Rs 12,000	Rs. 12,000	Rs. 12,000	Direct
7.	Shoshit Seva Sangh Foundation	Affordable Education	Bihar	Rs. 4,40,000	Rs. 4,40,000	Rs. 4,40,000	Direct
8.	PM Care Fund	Affordable Health	Bhilai	Unplanned	Rs. 10,00,000	Rs. 10,00,000	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.	Not Applicable
2.	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.	<p>The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and the CSR Policy of the Company.</p> <p style="text-align: center;">Chetan Kumar Chairperson CSR Committee</p> <p style="text-align: center;">Anoop Kumar Bansal Chairperson &amp; Managing Director</p>

**Form AOC-1 (ANNEXURE-D)**

(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	<b>NOT APPLICABLE</b>
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
	<b>Name of Associates/Joint Ventures</b>		
1.	<b>Latest audited Balance Sheet Date</b>		
2.	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>		
	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 E: Form No. AOC-2

(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

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) 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 arrangement s/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, Other Expenses and Sales	ANNUALLY	1. Purchase Raw Material- 47,513,352 2. Purchase of Consumable Goods- 336,020 3. Factory Shed & Building- 1,047,724 4. Plant & Machinery- 164,937 5. Repair & Maintenance Machine- 126,983 6. Other Expenses- 83,147 7. Sales-229,422,657	N/A	NIL
3)	M/S BANSAL BROTHERS (FAD)	ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE	Sales and Purchase raw Material	ANNUALLY	Sales- 31,488,119 Purchase Raw Material- 119,921,903	N/A	NIL

## Management Discussion & Analysis

The steel industry in general has faced tough times in FY2020. Issues like cheap imports, subdued exports, consolidation of major players, high debt costs in Indian steel industry has led to a weak demand scenario in FY 2020. The crude steel output has reduced by 2.2% in FY 2020, whereas the finished steel production has fallen by more than 25%\*. The imported steel in India increased from 6.69 MT to 8.24 MT and increase of 23% which has really hurt the finished steel output. The demand for steel has been supported by domestic demand alone as finished steel exports were low compared to previous fiscals. The per capita consumption of finished steel is almost at 74.1 kgs higher by 7.5% than last year.

Due to pandemic the domestic per capita consumption of steel has taken a hit. The estimated growth in per capita consumption of steel is set to grow only by 2.5% in FY2021.

All major steel plants have had to scale back production schedules. This has been mainly because of the following reasons:

1. Lack of demand of specialised steel from Auto sector & Infrastructre sector.
2. Restricted Manpower for operations.
3. Supply Chain disruptions due to lockdown

Globally, the steel industry is struggling under the impact of the outbreak with key customers like automakers, construction and oil & gas drillers also struggling. Automotive, one of the most important end markets for the steel industry, is seeing sales plunge. Demand of steel from Oil & Gas sector has also taken a major hit due to low demand of oil during the pandemic. Demand for Infrastructure sector also looks bleak due to most expansions looking at delayed implementation or shelving of plans for the near future. The construction sector, mostly housing has some demand recovery in the first quarter of FY21. But most of the sectors have seen a deep decline in the demand for finished steel.

However, surprisingly exports for Indian steel grew by 76% in the first quarter of FY21. The biggest buyer of Indian steel being China accounting for 48% of all steel exports from India. Prices for Chinese steel were considerably higher in the first quarter of FY21 due to post pandemic still being resolved in China, which led to India's gain.

### Opportunities

In this pandemic stricken time opportunities are few and only available to the best in the industry. Since, Sarthak Metals Limited is the market leader in it's business, we are seeing preference from the steel makers to stick to established players and avoid any supply side disruptions.

The rural market has been doing well due to sufficient monsoon, availability of labor during harvest season (reverse migration) & excellent support from the Indian government. The excellent monsoon has led to demand in farm equipment, two wheelers, entry segment 4 wheelers and even housing. A 'U' shaped recovery is coming from the rural market, which is boosting the steel demand in the rural India. Such demand of finished steel would your company in selling its staple products necessary in low alloy finished steels.

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 domestic demand for Indian steel has crashed in the first quarter of FY21 due to the lockdown implemented by the Indian government. Auto sector & Oil sector are in unforeseen low demand scenarios with sales in April for cars at NIL for all the companies. Therefore, domestic demand for HSLA steels is going to take a major hit in FY21 leading to reduced demand for your company's products. Further, due to low demand prices have also seen new lows. Thus, we expect our

sales to contract in FY21 even if we see a 'U' shaped recovery in the second half of the year due to lost sales in the first 2 quarters of the fiscal.

The main threat to the Indian steel industry is still from the cheap steel imports which the Chinese companies are dumping in India. The current demand for Indian steel for Chinese infrastructure is projected to be short-lived, as Chinese steel giants will soon fulfill the gap as their plants come to full production and recover from supply chain disruptions. The safeguards to protect Indian steel will be tested to the limits in these times.

The consolidation from IBC has led to an Oligopolistic market in India with entire steel sector coming into the hands of the few. The purchasers have mostly been integrated for the acquired plants and purchases are now being done centrally. Our brand name and product reliability has helped us garner orders and command premium as compared to our competitors in the first quarter. However, due to the long term consolidated buying strategy demand for spot orders with higher premium have reduced considerably.

The prices for Aluminum scrap have remained mostly sticky and at par with pre-pandemic levels. However, the finished goods prices falling to record low. Demand for Aluminum remains weak due to low consumption and contraction of manufacturing sector production. We expect the gross margins in Aluminum to remain low this year.

\*Source [www.ibef.org](http://www.ibef.org) (Indian Steel Industry Reports)



Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[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, 2020 ('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, 2020 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.

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 change in the composition of the Board of Directors during the period under review in compliance with the provisions of the Act.

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

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:

1. The Company has filed MGT-14 after obtaining the necessary approvals from Central Government.
2. There was re-appointment of Managing Director & whole-time Directors.

**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: 22nd June,2020

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

Sd/-  
Nilesh A. Pradhan  
Partner  
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 our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believed that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 22nd June,2020

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

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

## 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 2020, 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, 20, 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 there under, 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 audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 litigation(s), 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**

**UDIN : 20110603AAAAA09281**

Place: RAIPUR (C.G.)

Date: 22.06.2020

## Annexure "A" to the Independent Auditor's 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 immovable 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:				
	<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (in Rs)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
	Commercial Tax	Central Sales Tax	22,46,324/-	2014-15	Deputy Commissioner Commercial Tax
	Income Tax	Income Tax	10,15,610/-	2017-18	Commissioner Appeal
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 and 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 section 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**  
**UDIN : 20110603AAAAA09281**

Place: RAIPUR (C.G.)  
Date: 22.06.2020

## 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 2020 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 2020 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**  
**UDIN : 20110603AAAAA09281**

Place: RAIPUR (C.G.)  
Date: 22.06.2020

**SARTHAK METALS LIMITED**  
**( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )**  
**BALANCE SHEET AS AT 31st MARCH 2020**

Amount (Rs in Rs.)

	Particulars	Note No.	As at 31.03.2020 ₹	As at 31.03.2019 ₹
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	136,897,500	136,897,500
	(b) Reserves & Surplus	3	324,788,194	286,807,125
	(c) Money received against share warrants		-	-
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	16,138,942	27,506,860
	(b) Deferred tax liabilities (Net)		1,709,869	1,258,727
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions (Gratuity)		5,924,753	3,749,839
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	218,430,886	333,475,027
	(b) Trade payables		38,656,480	34,553,581
	(c) Other current liabilities	6	20,084,243	14,131,728
	(d) Short-term provisions		-	-
	<b>TOTAL</b>		<b>762,630,867</b>	<b>838,380,387</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	7		
	(i) Tangible assets		144,530,779	137,821,309
	(ii) Intangible assets		716,346	1,180,215
	(iii) Capital work-in-progress		-	1,960,651
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	8	7,500,000	7,500,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	9	27,914,789	6,720,959
	(e) Other non-current assets	10	350,003	700,003
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	11	219,337,978	260,453,515
	(c) Trade receivables	12	282,015,589	232,362,996
	(d) Cash and Cash equivalents	13	12,846,483	35,399,197
	(e) Short-term loans and advances	14	47,855,956	62,696,210
	(f) Other current assets	15	19,562,944	91,585,329
	<b>TOTAL</b>		<b>762,630,867</b>	<b>838,380,387</b>

Summary of significant accounting policies

1 & 24

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: 22.06.2020

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 2020**

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
			₹	₹
I.	<b>Gross Revenue from operations</b>	16	2,526,726,168	2,207,454,853
	Less: GST		385,045,550	314,820,698
	<b>Revenue from operations</b>		2,141,680,618	1,892,634,154
	<b>Other income</b>	17	10,940,740	15,632,732
III.	<b>Total Revenue (I + II)</b>		<b>2,152,621,358</b>	<b>1,908,266,886</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	18	1,771,517,249	1,640,276,803
	Purchases of Stock-in-Trade		14,029,313	5,090,403
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	23,549,355	(39,226,832)
	Employee benefits expense	20	86,404,982	54,567,136
	Finance costs	21	36,256,932	38,725,526
	Depreciation and amortization expense	7	22,516,131	15,773,694
	Other expenses	22	133,767,973	111,962,341
	<b>Total expenses</b>		<b>2,088,041,935</b>	<b>1,827,169,070</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>64,579,423</b>	<b>81,097,815</b>
	Dividend			
VI.	Exceptional items	23	442,119	563,485
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>64,137,304</b>	<b>80,534,330</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>64,137,304</b>	<b>80,534,330</b>
X.	<b>Tax expense:</b>			
	(1) Current tax		17,453,000	21,998,490
	(2) Deferred tax		451,142	902,326
XI.	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>46,233,162</b>	<b>57,633,514</b>
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>46,233,162</b>	<b>57,633,514</b>
XVI.	<b>Earnings per equity share:</b>			
	(1) Basic		3.38	4.21
	(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: 22.06.2020

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 2020**

Amount (Rs in lacs)

	Particulars	As at 31.03.2020 ₹	As at 31.03.2019 ₹
<b>I.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	<b>Net Profit before tax as per Profit &amp; Loss Account</b>	641.37	805.34
	<b>Adjustment for :</b>		
	Depreciation	225.16	157.74
	Interest (Net)	325.33	328.25
	Amortazation Of Preliminary Exps	3.50	5.25
	Loss/ (profit) on sale of fixed assets	-	-
		<b>553.99</b>	<b>491.24</b>
	<b>Operating Profit before Working Capital changes</b>	1,195.37	1,296.58
	Adjustment for :		
	Inventories	411.16	(1,049.37)
	Trade and other receivable	(496.53)	589.22
	Short TermLoans and Advances	148.40	(340.14)
	Short Term Provisions	-	(23.20)
	Long TermLoans and Advances	(211.94)	(6.64)
	Trade Payable	41.03	252.96
	Other Current Assets	720.22	(417.39)
	Long term Liabilities	21.75	15.80
	Other Current Liabilities	59.53	15.73
		<b>693.62</b>	<b>(963.03)</b>
	<b>Cash generated from Operations</b>	<b>1,888.99</b>	<b>333.56</b>
	Direct Taxes (Net)	(174.53)	(219.98)
	<b>Net Cash from Operating Activities</b>	<b>1,714.46</b>	<b>113.57</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Investment in Fixed Assets including Capital WIP	(318)	(1,127.73)
	Proceeds from sale of fixed assets	50	510.16
	Investment in Non Current Investments	-	-
	Interest Received	6.66	5.83
	<b>Net Cash used in Investing Activities</b>	<b>(261.35)</b>	<b>(611.74)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceed From Long Term Borrowing	(113.68)	47.30
	Proceed From Capital Investment Subsidy	-	-
	Other Short Term Borrowings	(1,150.44)	975.71
	Interest Paid	(331.99)	(334.08)
	Dividend Paid	(82.52)	-
	<b>Net Cash from financing Activities</b>	<b>(1,678.64)</b>	<b>688.93</b>
	<b>Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>(225.53)</b>	<b>190.76</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 01/04/2019 (as per Note-'13')</b>	353.99	163.23
	<b>CASH AND CASH EQUIVALENTS AS AT 31/03/2020 (as per Note-'13')</b>	128.46	353.99
	<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>(225.53)</b>	<b>190.76</b>



Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	6.73	5.23
Balance with Banks (Including Fixed Deposits)	121.34	348.77

(b) Figures in brackets represent outflows.

128.07	353.99
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(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: 22.06.2020**

Sd/-  
**(ITIKA SINGHAL)**  
**COMPANY SECRETORY**

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, 2020**

**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

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Authorised :</b> 15000000 (P.Y. 15000000) Equity Share of Rs. 10/- each	150,000,000	150,000,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed &amp; Paid up Capital:</b> 13689750 (P.Y. 13689750) Equity Shares of Rs. 10/- each fully paid up	136,897,500	136,897,500
<b>Total</b>	<b>136,897,500</b>	<b>136,897,500</b>

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

Particulars	Equity Shares	As at 31.03.2020	As at 31.03.2019
	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	<b>13,689,750</b>	<b>136,897,500</b>	<b>136,897,500</b>

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

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

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Shri Anoop Kumar Bansal</b>		
No. of Shares held	1,145,250	1145250
% of Holding	8.37%	8.37%
<b>Shri Kishore Kumar Bansal</b>		
No. of Shares held	741000	741,000
% of Holding	5.41%	5.41%
<b>Shri Manoj Kumar Bansal</b>		
No. of Shares held	3,782,700	3,782,700
% of Holding	27.63%	27.63%
<b>Metal-Grace Injection Alloys Private Limited</b>		
No. of Shares held	900,000	876,000
% of Holding	6.57%	6.40%

- (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**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>a. Securities Premium Account</b>		
<b>Opening Balance</b>	43,391,000	43,391,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
<b>Closing Balance</b>	<b>43,391,000</b>	<b>43,391,000</b>
<b>b. Surplus</b>		
<b>Opening Balance</b>	242,916,125	185,282,611
(+) Net Profit/(Net Loss) For the current year	46,233,162	57,633,514
(+) Transfer from Reserves	-	-
(-) Declared Dividends(F.Y. 2018-2019)	8,252,093	-
(-) Interim Dividends	-	-
(-) Adjustment for Depreciation	-	-
<b>Closing Balance</b>	<b>280,897,194</b>	<b>242,916,125</b>
<b>C. Capital Investment Subsidy</b>		
<b>Opening Balance</b>	500,000	500,000
(+) Received	-	-
(-) Adjustment	-	-
<b>Closing Balance</b>	<b>500,000</b>	<b>500,000</b>
<b>Total</b>	<b>324,788,194</b>	<b>286,807,125</b>

**Note 4: Long Term Borrowings**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Secured Borrowings</b>		
Vehicle Loan From Banks	2,458,516	1,054,978
State Bank of India Term Loan	13,680,426	26,451,882
<b>Total (A)</b>	<b>16,138,942</b>	<b>27,506,860</b>

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: Short Term Borrowings**

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured Borrowings</b>		
<b>Axis Bank Limited</b> (Channel Finance for Purchase from Balco)	40,983,868	98,452,470
<b>Secured Borrowings</b>		
<b>Cash Credit Limit from State Bank of India</b> (Secured Against Hypothecation of Entire Stock & Debtors Equitable Mortgage of Lease Hold Land & Plant & Machinery & Personal Guarantee of both the Directors.)	<b>177,447,018</b>	<b>218,754,698</b>
<b>State Bank of India (LC)</b> (Secured by Margin Money)	-	16,267,859
<b>Total</b>	<b>218,430,886</b>	<b>333,475,027</b>

- 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.
- Financing facility from Axis Bank is unsecured. The loan is repayable on demand and carries effective interest @ 9.20% p.a.

**Note 6: Other Current Liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Advance From Customers	6,236,758	263,872
Employee Related Liabilities	3,773,887	5,410,695
Other Liabilities	7,304,119	5,655,319
Statutory Liabilities	1,701,232	1,244,756
Provision For CSR	507,675	1,219,210
Gratuity Payable (Actuarial Certificate)	560,572	337,875
<b>Total</b>	<b>20,084,243</b>	<b>14,131,728</b>



**Note 7: FIXED ASSETS**

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2019	Additions	Acquired through business combination	Disposals/Transfer	Balance as at 31st March 2020	Balance as at 1 April 2019	Balance as at 31st March 2020	Balance as at 31st March 2020
<b>CORED WIRE DIVISION</b>								
Air Conditioner	653,189	-	-	-	653,189	559,068	591,370	94,121
Computer	3,061,452	53,644	-	-	3,115,096	2,806,368	2,902,200	255,084
Computer ERP	3,984,473	-	-	-	3,984,473	2,804,258	3,268,127	1,180,215
Electrical Equipment	5,330,372	568,612	-	-	5,898,984	2,520,642	3,296,687	2,809,730
EOT	1,032,697	-	-	-	1,032,697	678,503	742,625	354,194
Factory Shed And Building	46,587,509	5,905,647	-	-	52,493,156	8,972,704	12,875,631	37,614,805
Fork Lift	3,134,149	-	-	-	3,134,149	1,376,256	1,694,498	1,757,893
Furniture & Fixtures	850,957	8,400	-	-	859,357	708,057	744,227	142,900
LAND	16,783,234	253,888	-	-	17,037,122	-	-	16,783,234
Mobile	652,902	-	-	-	652,902	434,259	530,360	218,643
Office Equipment	586,323	75,638	-	-	661,961	447,639	517,752	138,684
Plant & Machinery	78,909,613	5,349,390	-	3,000,000	81,259,003	24,632,619	34,815,765	54,276,995
RCC FRAME)	3,124,297	230,094	-	-	3,354,391	1,496,305	1,580,751	1,627,992
Truck	974,000	-	-	-	974,000	918,160	925,300	55,840
Two Wheeler	261,180	-	-	-	261,180	234,877	239,088	26,303
Vehicles (Four Wheeler)	18,815,881	5,605,000	-	-	24,420,881	13,513,672	15,906,566	5,302,209
Weighing Machine	595,333	101,000	-	-	696,333	489,948	553,705	105,385
Plant & Machinery (WIP)	1,960,651	-	-	1,960,651	-	-	-	1,960,651
<b>Total (A)</b>	<b>187,298,212</b>	<b>18,151,312</b>	-	<b>4,960,651</b>	<b>200,488,873</b>	<b>62,593,334</b>	<b>81,184,651</b>	<b>124,704,878</b>
<b>GAS DIVISION</b>								
Air Conditioner	58,500	-	-	-	58,500	55,575	55,575	2,925
Computer	90,600	-	-	-	90,600	86,069	86,069	4,531
Electrical Equipment	1,337,476	-	-	-	1,337,476	1,220,799	1,247,131	116,677
Factory Shed And Building	5,150,898	-	-	-	5,150,898	2,970,449	3,176,099	2,180,449
Furniture & Fixtures	2,215	-	-	-	2,215	2,104	2,104	111
Gas Cylinder	35,521,346	-	-	-	35,521,346	28,271,177	28,875,083	7,250,169
LAND	180,406	-	-	-	180,406	-	-	180,406
Plant & Machinery	13,977,728	-	-	-	13,977,728	10,948,155	11,901,644	3,029,573
Trolley	1,336,255	-	-	-	1,336,255	1,253,963	1,267,296	82,292
Truck	2,624,252	-	-	-	2,624,252	1,568,826	1,890,138	1,055,426
Two Wheeler	121,522	-	-	-	121,522	96,869	102,829	24,653
Vehicles (Four Wheeler)	614,300	-	-	-	614,300	583,585	583,585	30,715
Weighing Machine	62,281	-	-	-	62,281	59,167	59,167	3,114
<b>Total (B)</b>	<b>61,077,779</b>	-	-	-	<b>61,077,779</b>	<b>47,116,738</b>	<b>49,246,720</b>	<b>13,961,041</b>
<b>NAGPUR OFFICE</b>								
Computer	193,100	42,500	-	-	235,600	168,975	180,214	24,125
Four Wheeler	-	682,905	-	-	682,905	-	147,237	-
Furniture & Fixtures	1,438,141	30,870	-	-	1,469,011	1,309,460	1,349,353	128,681
Office Equipment	216,389	-	-	-	216,389	194,434	201,489	21,955
RCC FRAME)	3,303,825	1,177,729	-	-	4,481,554	1,197,739	1,342,360	3,139,194
Two Wheeler	87,000	-	-	-	87,000	71,591	75,536	15,409
<b>Total (C)</b>	<b>5,238,455</b>	<b>1,934,004</b>	-	-	<b>7,172,459</b>	<b>2,942,199</b>	<b>3,296,189</b>	<b>2,296,256</b>
<b>RASMADA PLANT (FERRO ALLOYS)</b>								
Electrical Equipment	-	1,947,410	-	-	1,947,410	-	568,984	-
Office Equipment	-	212,595	-	-	212,595	-	47,088	-
Plant And Machinery	-	6,958,471	-	-	6,958,471	-	755,034	-
RCC FRAME)	-	2,557,939	-	-	2,557,939	-	69,736	-
Total (D)	-	11,676,415	-	-	11,676,415	-	1,440,842	-
<b>GRAND TOTAL (A+B+C+D)</b>	<b>253,614,446</b>	<b>31,761,731</b>	-	<b>4,960,651</b>	<b>280,415,526</b>	<b>112,652,271</b>	<b>135,168,402</b>	<b>140,962,175</b>
								<b>145,247,125</b>

**Note 8 : Non Current Investments**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
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
<b>Total</b>	<b>7,500,000</b>	<b>7,500,000</b>

**Note 9 : Long-Term Loans & Advances**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
(Unsecured, considered good) Security Deposits	27,914,789	6,720,959
<b>Total</b>	<b>27,914,789</b>	<b>6,720,959</b>

**Note 10 : Other Non Current Asset**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Preliminary Exps	350,003	700,003
<b>Total</b>	<b>350,003</b>	<b>700,003</b>

**Note 11: Inventories**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Raw Materials and components (Valued at FIFO Method)	165,327,259	184,803,755
Finished goods (Valued at Cost)	42,773,420	67,478,810
Finished goods Trading (Valued at Cost)	1,156,035	-
CoalStores and spares & Rolls Stock(Valued at Cost)	7,088,813	5,203,259
Oil & Lubricants (Valued at Cost)	2,988,712	2,931,974
Inventory gas	3,739	35,716
<b>Total</b>	<b>219,337,978</b>	<b>260,453,515</b>

**Note 12: Trade Receivables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Outstanding for a period less than six months Unsecured considered good	253,174,524	206,454,817
Less: Provision for doubtful debts	-	-
Outstanding for a period exceeding six months Unsecured considered good	28,841,065	25,908,179
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>282,015,589</b>	<b>232,362,996</b>

**Note 13: Cash & Cash Equivalents**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Balance with Banks	11,490,624	24,153,020
State Bank of India Fixed Deposit With Bank (Margin Money)	643,015	10,719,301
Upaid Dividend Account With State Bank Of India	39,966	4,220
Cash on Hand	672,878	522,656
<b>Total</b>	<b>12,846,483</b>	<b>35,399,197</b>

Margin money deposits Rs. 643015/- are subject to first charge to secure the Company's Line of Credit Buyers' Credit and Bank Guarantees.

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
(Unsecured considered good) Advances to Suppliers & Others	47,855,956	62,696,210
<b>Total</b>	<b>47,855,956</b>	<b>62,696,210</b>

**Note 15 : Other Current Assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Comm Of Custom And Excise	4,597,366	1,863,092
Income Tax Appeal (11-12)	213,680	213,680
CST Appeal (08-09)	231,155	231,155
Prepaid Factory Licence	32,188	-
Prepaid Pollution Exps	250,000	-
IGST Receivable (Against Exports)	2,306,062	41,947,594
GST Receivable	8,712,460	45,314,467
Lease Rent	254,678	266,630
Interest (Interrst for future Accounted for Against Car Loan)	-	12,630
Vat & Cst Receivable	-	13,105
Income Tax Receivable (FY 17-18)	-	94,000
Income Tax Receivable (FY 18-19)	1,241,358	1,628,977
Prepaid Insurance	32,119	-
Income Tax Receivable (FY 19-20)	-	-
TDS /Advance Tax	19,144,879.00	-
Provision For Current Taxation	17,453,000.00	-
<b>Total</b>	<b>19,562,944</b>	<b>91,585,329</b>

**Note 16: Revenue from Operations**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Sale of products (Refer Note (i) below)	2,509,162,187	2,207,454,853
JOB Work Charges	17,563,981	-
<b>Less:</b>		
GST	385,045,550	314,820,698
<b>Total</b>	<b>2,141,680,618</b>	<b>1,892,634,154</b>

Note	Particulars	As at 31 March, 2020	As at 31 March, 2019
		₹	₹
(i)	<b>Sale of products comprises:</b>		
	<u>Manufactured goods</u>		
	Sales	1,885,889,436	1,430,421,785
	Sales (Export)	209,745,355	430,017,221
	<b>Total - Sale of manufactured goods</b>	<b>2,095,634,791</b>	<b>1,860,439,006</b>
	<u>Traded goods</u>		
	Sales Trading	26,657,983	28,093,319
	<b>Total - Sale of traded goods</b>	<b>26,657,983</b>	<b>28,093,319</b>
	<u>Sale of services</u>		
	Service charges received	14,884,730	-
	<b>Total - Sale of Services</b>	<b>14,884,730</b>	<b>-</b>
	<b>Total - Sale of products</b>	<b>2,137,177,504</b>	<b>1,888,532,325</b>
(ii)	<b>Other operating revenues comprises:</b>		
	Sales (Scrap)	2,648,176	2,238,794
	Sales (Empty Drum)	1,854,938	1,863,036
	<b>Total - Other operating revenues</b>	<b>4,503,114</b>	<b>4,101,829</b>

**Note 17 : Other Income**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Duty Drawback	1,838,076	3,514,505
Insurance Claim	1,216,555	-
Cylinder Lost	-	16,000
DIC Interest Subsidy	186,960	555,722
Interest Received	666,360	583,333
Cylinder rent	26,920	20,316
Bad Debt Recovered	6,482,000	-
Profit on foreign currency transactions (Net)	523,869	10,942,856
<b>Total</b>	<b>10,940,740</b>	<b>15,632,732</b>

Bad Debt Recovered amounting to Rs.64.82 Lakh is an amount which was written off in earlier financial year i.e. 2015-16 relating to advance given for purchase of material i.e. Rs.2.64 Crore out of which Material of Rs. 1.97 Crore was received and the remaining amount was written off in that Financial year itself. But during the year Company received material of the Rs. 64.82 Lakh from the same party and the same has been shown as Bad Debt Recovered.

**Note 18 : Cost of Materials Consumed**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Opening Stock Raw Material	184,839,471	121,619,405
Add:-Purchases & Expenses (Net)	1,711,911,503	1,677,552,308
	1,896,750,974	1,799,171,712
Less:- Sales	-	-
Less:-Closing Stock	165,330,998	184,839,471
<b>Total</b>	<b>1,731,419,976</b>	<b>1,614,332,242</b>
Opening Stock Stores & Spares	5,203,259	5,645,170
Add:-Purchases & Expenses ( Net )	41,947,486	25,502,651
	47,150,745	31,147,820
Less:-Closing Stock	7,053,473	5,203,259
<b>Total</b>	<b>40,097,272</b>	<b>25,944,561</b>
<b>Grand Total</b>	<b>1,771,517,249</b>	<b>1,640,276,803</b>

(\* Including value of Import On CIF Basis)

**Note 19: Change in Inventories**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Opening Stock Of Finished Goods	67,478,810	28,251,978
Less: Closing Stock of Finished Goods	42,773,420	67,478,810
Less: Closing Stock of Trading Goods	1,156,035	-
<b>Total</b>	<b>23,549,355</b>	<b>(39,226,832)</b>

**Note 20: Employee Benefit Expenses**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Salary & Allowances	40,435,640	33,786,782
Leave Salary	3,389,945	201,811
Bonus Exps	4,056,147	3,015,928
Labour Payment	24,447,895	6,834,618
Gratuity (Based On Actuarial Valuation)	2,397,611	1,749,653
Staff & Labour Welfare	888,319	758,522
Provident Fund	2,047,880	1,399,713
Director Remuneration	7,900,000	6,150,000
ESIC Exps.	841,545	670,109
<b>Total</b>	<b>86,404,982</b>	<b>54,567,136</b>

**Note 21: Finance Costs**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
<b>Interest expenses</b>		
To Bank & Cash Credit Limit	28,246,595	24,945,761
To Others	4,782,738	4,114,423
To Vehicle loans	90,182	274,236
To On LC/Buyers Credit facility	79,943	3,663,611
Interest on other facilities	-	410,449
Bank Charges & Commission	3,057,474	5,317,046
<b>Total</b>	<b>36,256,932</b>	<b>38,725,526</b>

**Note 22: Other Expenses**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Amortized Exps	350,000	525,000
Clearing And Forwarding	9,185,088	19,012,051
Commission & Brokerage	6,245,973	2,171,397
Computer/ERP Exps	380,276	402,467
Consumable stores	484,414	248,252
Cylinder Expenses	272,005	288,957
Destination Exps	364,000	336,635
Donation Expenses	15,120	-
Garden Exps	65,979	28,063
Insurance	2,546,112	2,704,592
Lease Rent Factory Licence & Rent Expenses	1,028,569	982,418
Legal & Professional Expenses	3,299,440	1,840,391
Loading And Unloading	793,189	279,210
Loss on Consignment Sale	-	818,904
Member Fees & Subscription	235,780	309,025
Office Exps.	1,867,284	2,511,274
Oil & Lubricant	23,108,931	7,269,418
Payment To Auditors	300,000	300,000
Postage & telegram exp.	137	9,420
Power Charges	27,865,876	22,309,392
Printing & Stationery	781,555	747,188
Professional Tax	12,512	17,535
Property Tax	64,048	72,199
Sales Promotion	674,866	871,455
Sales Tax (CST & CGST)	-	1,053
Security Guard Exps	1,726,305	1,313,065
Sundry Balance Write Off	417,911	283,173
Telephone Expenses	401,884	330,207
Testing Charges	1,676,580	95,415
Transportation Exps	35,597,958	29,672,147
Traveling & Conveyance Exps (Includes Foreign Traveling Exps)	3,273,555	3,190,770
Vehicle Maintenance & Petrol	2,141,171	2,245,301
Water Charges	113,245	9,156
Weighment Charges	96,068	85,888
Loss on Buyers Credit	-	1,976,445
Rate & Qty. Diff.	543,391	919,519
CSR Expenditure	1,400,000	2,440,000
Repair & Maintenance	6,438,753	5,344,959
<b>Total</b>	<b>133,767,973</b>	<b>111,962,341</b>

**Note 23: Exceptional Items**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Debit/(Credit) pertaining To Earlier Year (IT)	442,119	563,485
<b>Total</b>	<b>442,119</b>	<b>563,485</b>

**Note 24: Additional Notes to Accounts**

a. Contingent liability not provided for :

Sl. No.	Particulars	As at 31 March, 2020	As at 31 March, 2019
		₹	₹
(a)	Demand Raised By Income Tax Deptt.	10,15,610	-
(b)	Demand Raised By Commercial Tax Deptt.	2,246,324	2,246,324
	Less : Amount Paid For Appeals Preferred	-	-
	<b>Net liability Raised By Commercial Tax Deptt.</b>	<b>2,246,324</b>	<b>2,246,324</b>
(c)	Bank Guarantee/LC Outstanding	494,992	17,094,459
	Less : Margin Provided (STDR)	643,015	10,723,521
	Net liability	(148,023)	6,370,938

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 2020 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	2019 - 20	2018 - 19
	₹	₹
Foreign Tour Expenses (Exchange Purchase Cost)	991,804	1,122,260

d. Earnings in foreign currency is Rs. 5.24 lacs (Previous year: Rs. 109.43 Lacs)

**f. RELATED PARTY TRANSACTIONS:**

During the Year ended March 31 2020 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 INFLUENCE BY KEY MANAGEMENT PERSONNEL /RELATIVE OF MANAGEMENT PERSONNEL
Purchases of Materials	-	-	167,771,275
Remuneration	12,585,000	10,864,000	-
Sales of goods	-	-	260,910,776



**Party wise transactions:**

S.No.	Party Name	Relation	Amount	Type of Transactions
1	Shri Anoop Kumar Bansal	Key Management Personnel	3,600,000.00	Director Salary
			300,000.00	Bonus / Incentive
			1,006,520.00	Interest on Unsecured Loan
2	Shri Manoj Kumar Bansal	Key Management Personnel	3,600,000.00	President Salary
			300,000.00	Bonus / Incentive
3	Shri Kishore Kumar Bansal	Key Management Personnel	906,589.11	Interest on Unsecured Loan
4	Shri Sanjay C. Shah	Key Management Personnel	3,600,000.00	Director Salary
			300,000.00	Bonus / Incentive
5	Shri Mayur Bhatt	Key Management Personnel	600,000.00	Director Salary
			50,000.00	Bonus / Incentive
6	Shri Sunil Kumar Agarwal	Key Management Personnel	100,000.00	Director Salary
				Bonus / Incentive
7	Shri Gaurav Agarwal	Relative Key Management Personnel	3,250,000.00	Staff Salary
				Bonus / Incentive
8	Shri Anirudh Singhal	Key Management Personnel	650,000.00	Staff Salary
				Bonus / Incentive
9	Itika Singhal	Key Management Personnel	435,000.00	Staff Salary
10	Shri Samarth Bansal	Relative Key Management Personnel	2,600,000.00	Staff Salary
				Bonus / Incentive
11	Shri Sarthak Bansal	Relative Key Management Personnel	2,600,000.00	Staff Salary
				Bonus / Incentive
12	Sakshi Bansal	Relative Key Management Personnel	225,000.00	Staff Salary
				Bonus / Incentive
13	Shri Sagar Shah	Relative Key Management Personnel	650,000.00	Staff Salary
				Bonus / Incentive
14	Shalini Shah	Relative Key Management Personnel	720,000.00	Staff Salary
				Bonus / Incentive
15	Shreya Agarwal	Relative Key Management Personnel	169,000.00	Staff Salary
				Bonus / Incentive
16	Jaya Bhatt	Relative Key Management Personnel	650,000.00	Staff Salary
				Bonus / Incentive
17	Bansal Brothers (Trading Div.)	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE	47,513,352.00	Purchase Raw Material
			336,020.00	Purchase of Consumable Goods
			1,047,724.00	Factory Shed & Building
			164,937.00	Plant & Machinery
			126,983.00	Repair & Maint. Machine
			83,147.00	Other Exps
18	Bansal Brothers (FAD)	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE	31,488,119.00	Sales
			119,921,903.00	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 Sunil Kumar Agarwal-Additional 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  
 Shri Sarthak Bansal  
 Smt. Sakshi Bansal  
 Smt. Shalini Shah  
 Shri Sagar Shah  
 Smt. Jaya Bhatt  
 Smt. Shreya Agarwal  
 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. During the year Capital Subsidy of Rs. 30,00,000/- had been received from DIC, Chhattisgarh state for Set Up of Aluminium Plant. The said amount has been reduced from Cost of Fixed Assets of Cored Wire Division Plant in Note. No.7 of Financial Statements.
- 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:-

	<b>PARTICULARS</b>	<b>AS AT 31.03.2020</b>	<b>AS AT 31.03.2019</b>
(a)	Opening balance of DTL (on account of Time Difference)	1,258,727	356,401
(b)	Depreciation as per Companies Act for the year	22,516,131	15,773,694
(c)	Depreciation as per Income Tax Act for the year	24,137,779	19,017,137
(d)	Time Difference (b-c)	(1,621,648)	(3,243,443)
(e)	Tax Liability @ 27.82 % Liability/ Asset	(451,142)	(902,326)
(f)	Closing balance of DTL (on account of Time Difference)	1,709,869	1,258,727

**m. Calculation of EPS for the year ended:**

<b>Particulars</b>	<b>AS AT 31.03.2020</b>	<b>AS AT 31.03.2019</b>
Net Profit as per P&L A/c	46,233,162	57,633,514
No. of Shares	13,689,750	13,689,750
Basic & Diluted EPS	3.38	4.21

- n The Company has Rs. 21.47 Lac unrealised gains on foreign currency transactions as on 31st March 2020.
- o There is total long term borrowing as on 31st march 2020 is Rs. 1,61,38,942 /-(Outstanding Principal) out of which instalment payable within Twelve Months is Rs 76,82,700/-(Inclusive Of Int.).
- p The Board of Directors has recommended and paid a dividend of Rs. .50 per equity share of Rs.10/- each (@5%) for the financial year ended March 31, 2019. The payout is to be Rs. 82.52 Lakh (inclusive of dividend distribution tax of 14.07 Lakh).

**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: 22.06.2020**

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, 2020

**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 20,47,880/- (previous year: Rs 13,99,713).

**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, 2020	As at 31 March, 2019
	₹	₹
Current Service Cost	1,313,913.00	820,096.00
Interest Cost	312,710.00	180,265.00
Net Actuarial Gain recognized during the year	770,988.00	749,292.00
	2,397,611.00	1,749,653.00

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

Description	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Present Value of the Obligation at the end of the year	6,485,325.00	4,087,714.00
Net Liability recognized in Balance Sheet	6,485,325.00	4,087,714.00
Current Portion	560,572.00	337,875.00
Non- Current Portion	5,924,753.00	3,749,839.00

**Changes in the Present Value Obligation**

Description	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Present Value of the Obligation at the beginning of the year	4,087,714.00	2,338,061.00
Current Service Cost	1,313,913.00	820,096.00
Interest Cost	312,710.00	180,265.00
Actuarial gain recognized during the year	770,988.00	749,292.00
Present value of obligation as at the end of the year	6,485,325.00	4,087,714.00

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

Description	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
Discounting Rate (Per annum)	7.71%	7.65%
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, 2020	As at 31 March, 2019
	₹	₹
Discounting Rate (Per annum)	7.71%	7.65%
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 31.03.2020

#### D.T.L. FOR PREVIOUS YEAR:

DEP AS PER I.T. ACT AS ON 31.03.2020	24,137,778.80	
DEP AS PER BOOKS OF ACCOUNTS AS ON 31.03.2020	<u>22,516,131.00</u>	
<b>D.T.L. @ 27.82% OF RS. TO BE TAKEN IN P/L A/C</b>	<u>(1,621,647.80)</u>	(451,142.42)
D.T.L. ALREADY RECOGNISED IN BOOKS OF A/C.		1,258,726.78
<b>D.T.L. TO BE CHARGED TO THIS YEAR (NET)</b>		<b>1,709,869.20</b>

**ATTENDANCE SLIP**

**25th Annual General Meeting on Wednesday,  
The 9th September, 2020 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 25th Annual General Meeting of the Company on Wednesday, 9th September, 2020 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 25th Annual General Meeting of members of the Company, to be held on Wednesday, 9th September, 2020 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
<b>ORDINARY BUSINESS</b>			
1.	To receive, consider and adopt, financial statements for the year ended 31st March 2020 together with the Report of Board of Director's and Auditor's thereon.		
2.	To declare dividend on equity shares for the financial year 2019-20		
3.	To appoint Mr. Kishore Kumar Bansal (DIN: 03067387), who retires by rotation and being eligible offers himself for re-appointment		
<b>SPECIAL BUSINESS</b>			
4.	To consider and approve the appointment of Mr. Sunil Kumar Agarwal as Director		
5.	To consider and approve the re-appointment of Mr. Anoop Kumar Bansal as Managing Director		
6.	To consider and approve the re-appointment of Mr. Mayur Bhatt as Whole Time Director		
7.	To consider and approve the re-appointment of Mr. Sanjay Shah as Whole Time Director		
8.	To consider and approve appointment of Mr. D.V. Giri as an Independent Director		

Signed this ..... day of..... 2020 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