

Date: 21<sup>st</sup> July, 2023

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| <p>To,<br/>The Manager,<br/>Listing &amp; Compliance,<br/>BSE Limited<br/>Phiroze Jeejeebhoy Towers,<br/>Dalal Street, Mumbai - 400 001</p> <p><u>Ref: Scrip Code - 540393</u></p> | <p>To,<br/>Listing Department,<br/>National Stock Exchange of India Limited,<br/>C-1, G-Block, Bandra-Kurla Complex<br/>Bandra (E), Mumbai - 400 051</p> <p><u>Ref: Scrip Symbol - SMLT</u></p> |
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**Subject: Annual General Meeting Notice, Integrated Annual Report 2022-23.**

Dear Sir/Madam,

The twenty-eighth Annual General Meeting (“AGM”) of the Company will be held on Monday, August 21, 2023 at 12:00 p.m. at Hotel Ashish International, G.E. Road, Bhilai Power House - 490011.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2022-23 which is being sent to the Members, who have registered their e-mail addresses with the Company / Depositories, through electronic mode.

The Integrated Annual Report containing the Notice is also uploaded on the Company’s website at <http://www.sarthakmetals.com/docs/Annual%20Report%20-%20SML%20-%20Financial%20Year%202022-23.pdf>.

Kindly take the same on your record.

Yours’ Faithfully,

For, **Sarthak Metals Limited**

**Pratik Jain**  
Company Secretary and Compliance Officer

Encl. as above.



# Sarthak Metals Limited

ANNUAL REPORT 2022-23

## INSIDE THE DOCUMENT

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

## KEY HIGHLIGHTS OF FY23

Revenue (₹ in crores)

**408.43**

Operating Profit (₹ in crores)

**40.09**

Net Profit (₹ in crores)

**29.76**

Earnings Per Share (₹)

**21.74**

# Unyielding Fortitude. Pioneering Growth. Expanding Frontiers.

Amidst the shifting tides of industry, we find ourselves anchored by an unwavering spirit, encapsulated by our chosen theme of 'Unyielding Fortitude. Pioneering Growth. Expanding Frontiers.'

Even in the face of a challenging industry environment, our core business has stood as a pillar of strength. Our ability to navigate the turbulent tides of our industry speaks volumes about the depth of our business capabilities and the robustness of our unique business model. The dedication of our team, coupled with our steadfast focus on efficiency, has propelled us ahead.

Yet, we refuse to rest at a position of comfort. The pioneering spirit that courses through the Company, pushes us ahead for growth and expansion into new frontiers. As we set our sights on new horizons,

we are looking to diversify our product portfolio, capture fresh opportunities that lie beyond the boundaries of our current domain i.e. metallurgy. We seek to expand our frontiers and conquer new application industries, charting a course that is both ambitious and purposeful to the larger *Atma Nirbhar* goals of our country.

**What awaits us is a journey that requires vision. It is a testament to our pledge to transcend the limits of what is known and venture boldly into the next leg of our journey.**

### Safe Harbour Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## ABOUT THE COMPANY •

# Innovation | Quality | Commitment

## The legacy of Sarthak Metals

Sarthak Metals Limited (SML), a dynamic entity within the esteemed Desraj Bansal Group (DB Group). We proudly lead our industry as one of India's foremost manufacturers and exporters of Cored Wires and Aluminium Flipping Coils, essential consumables in the field of modern metallurgy for fine tuning steel.

With a strategic location near a prominent steel hub and a state-of-the-art ISO 9001-2000 certified manufacturing facility, we are committed to providing precision in steel metallurgy and fine-tuning its manufacturing process. Our extensive range of products and solutions cater to the unique requirements of the entire steel industry.

Since our inception in 1995, we have embarked on a journey of growth and diversification. Initially focused on manufacturing industrial gases under the DB group, we expanded our operations in 2002 to introduce metallurgical cored wires, a groundbreaking solution in wire injection technology for the steel manufacturing industry.

We uphold a commitment to deliver products of uncompromising quality. To ensure this, we have implemented rigorous testing and inspection processes throughout our operations. Our relentless pursuit of excellence has earned us the coveted status of being the preferred supplier for major steel companies throughout India. Encouraged by our domestic success, we have set our sights on the global stage, extending our reach to international markets and serving customers around the world.

### Vision

Sarthak Metals' vision embodies the shared aspiration and united purpose that drives our entire organisation:

- New benchmarks in product quality and services for domestic and global customers.
- Create an environment to promote constant innovation to add value to customers.
- Set high ethical standards among domestic and global marketplace to be recognized as a preferred vendor.

### Sarthak Metals in a nutshell

One of India's leading metallurgical solution provider in India

# 21%

4Y CAGR for Revenue  
from Operations

# 51%

4Y CAGR for  
Profit after Taxes

# 180+

Workforce

# 40+

Customers  
associated till date



## JOURNEY •

## A remarkable voyage unfolding the success story

In the context of our remarkable journey, we find ourselves at an important juncture, where our initial efforts have evolved into a success and established us as one of the leading players in our industry. As we reflect on the milestones of our journey, we stand resolute, embracing the challenges and opportunities that lie ahead.

As we navigate the next leg of our journey, our vision and principles remain intact, while our ambitions soar to newer heights. Guided by our core values and propelled by our passionate team, we envision a future where Sarthak Metals will shine in newer domains & industries.

1995



### A promising start

Incorporated in 1995, we began our journey with an industrial gases unit, catering to the oxygen and carbon dioxide requirements of industries in our vicinity. This initial step laid the foundation of delivering essential solutions to diverse industrial sectors.

2002



### Expanding into metallurgical solutions

Recognizing the growing demand in the metallurgical industry, we took a significant stride forward in 2002. We established our first in-house cored wire mill, enabling us to manufacture cutting-edge metallurgical solutions. Our cored wire mills were designed and developed in-house to meet the evolving needs of the industry.

2008



### Venturing into aluminium flipping coils

Expanding our capabilities further, in 2008, we initiated the production of aluminium flipping coils. This diversification broadened our product portfolio and enhanced our position in the market.

2012



### Introducing cored wire feeder machines

Continuing our commitment to innovation and position ourselves as a one-stop solution provider, in 2012, we began manufacturing cored wire feeder machines. These machines efficiently unwind cored wire rolls into steel ladles, streamlining the process and ensuring precise and accurate wire injection. This addition to our product line showcased our dedication to providing comprehensive solutions to our customers.

2017



### Going public

A significant milestone was achieved in 2017 when we raised funds through our initial public offer. Our successful listing on the BSE SME exchange marked a new chapter in our growth story, enabling us to access capital markets and expand our operations.

2018



### Product diversification

In 2018, we took a strategic step towards backward integration by venturing into the production of aluminium wire rods. This addition provided us with greater control over the supply chain and significantly expanded our operations in the flipping coils segment, strengthening our market position.

2021



### Reaching new heights

Continuing our upward trajectory, we migrated from the BSE SME exchange to the esteemed BSE and NSE mainboard platforms in November 2021, aiding our market recognition and positioning us for broader opportunities and increased visibility and liquidity.

2022



### Record growth

FY22 marked a significant milestone in our journey as we achieved record growth in Revenue from Operations, surpassing the remarkable benchmark of Rs 450+ crore. This achievement is a testament to our unwavering commitment to excellence and customer satisfaction.

2023



### Launch new frontiers for growth

Sarthak Metals ventures into yet another product category, Flux Cored Wire, for long-term sustainable growth of the Company. This is the first product category for the Company which goes beyond metallurgy, into the infrastructure sector, thus effectively diversifying the Company. This venture is in line with the Government of India's *Atma Nirbhar* campaign and furthers the cause of import substitution from China.

## ● ABOUT THE GROUP

# Guided by visionary roots

Embracing a legacy of excellence and innovation, Sarthak Metals Limited stands proudly under the esteemed Desraj Bansal Group (DB Group). Guided by a unifying vision of our Group, we have established ourselves as a reputed player in the metallurgy consumables industry. With a remarkable portfolio of best-in-class quality products, we have garnered a stellar reputation that is acknowledged both within India and beyond.

Sarthak Metals Limited proudly thrives under the powerful umbrella of Desraj Bansal Group (DB Group), a well-established business group originating from Bhilai, Chhattisgarh. With a rich history spanning **50 years**, the DB Group has cultivated a strong presence in two major sectors: Metallurgy and Energy. Its journey began with the production of industrial oxygen and carbon dioxide, effectively meeting the growing metallurgical demands of the industries in its vicinity. Harnessing experience and embracing innovation, the group expanded its offerings to include advanced solutions like Cored Wires, followed by the manufacturing of Aluminium Flipping Coils and Wire Feeder Machines. Today, the DB Group operates **4** cutting-edge manufacturing facilities in Bhilai, Chhattisgarh, strategically positioned to deliver excellence.

Over the years, the group has garnered an impeccable reputation in the metallurgy industry. DB Group has earned the trust and admiration of renowned players in India and abroad, solidifying its position among the leading business groups in its sector. With total group revenues exceeding **₹ 775 crores**, the DB Group continues to thrive under its three distinct entities, demonstrating exceptional prowess in the metallurgy and energy domains.

Under the strong parentage of the DB Group, Sarthak Metals Limited benefits from a legacy built on innovation, reliability, and customer satisfaction. The group's profound expertise and extensive industry experience have propelled Sarthak Metals Limited to new heights, ensuring the Company's ability to meet the evolving needs of its valued clientele. By virtue of its association with the DB Group, Sarthak Metals Limited enjoys the advantage of being backed by an illustrious business group known for its exceptional track record and dedication. This strong parentage provides Sarthak Metals Limited with the solid foundation and resources needed to sustain its growth trajectory and maintain its position as a key player in the metals and metallurgy landscape.

The success story of the DB Group can be attributed to its unwavering commitment to best-in-class quality products, unwavering service, and reliable deliveries over the past three decades. These merits have garnered the group an impeccable reputation in the metals and metallurgy industry.

The DB Group comprises three significant entities, each playing a pivotal role in the group's operations and contributing to its success across various sectors. These three entities together form the backbone of the DB Group's operations. Through the combined efforts of these key entities, the Group continues to strengthen its position as a dynamic and influential player in the market.



### Sarthak Metals Limited

Recognized as India's premier provider of metallurgical cored wire and aluminium flipping coils, Sarthak Metals plays a vital role in the DB Group's offerings. Renowned for its exceptional metallurgical solutions, Sarthak Metals caters to the diverse needs of the industry.

Capacity of  
**10,000 TPA**  
for Cored wires

Capacity of  
**15,000 TPA**  
for Aluminium flipping coils



### Bansal Brothers

At the forefront of the DB Group's ferroalloys operations, Bansal Brothers stands as a prominent arm with an impressive installed capacity base of 9,000 TPA. Located in Bhilai, this entity specialises in the production of high-quality ferroalloys.

Capacity of  
**9,000 TPA**  
for ferroalloys



### Sarthak Energy Private Limited

As DB Group's energy arm, Sarthak Energy Private Limited focuses on renewable energy sources. With 2 MW of renewable energy assets situated in Bhilai, this entity demonstrates the group's commitment to sustainable practices, while allowing the group entities to remain cost-competitive in an era of rising energy costs.

**02 MW**  
Solar power plant



## PRODUCT PORTFOLIO

# Empowering industries a glimpse into our product offerin

At Sarthak, we take pride in being a leading provider of modern metallurgical solutions that play a crucial role in enhancing steel manufacturing processes. With industry experience spanning nearly three decades and close collaborations with renowned players, we have honed our expertise in meeting the exacting quality standards of this industry. Our product portfolio revolves around two key categories: Cored Wires and Aluminium Flipping Coils. These offerings are instrumental in fine-tuning steel production, enabling us to introduce specific characteristics, from de-oxidising to grain refining, and facilitating the manufacturing of various grades of steel. Complementing our core products, we also manufacture Cored Wire Feeder Machines, reinforcing our commitment to delivering comprehensive solutions. The most recent addition to our product portfolio, our first non-metallurgy product, has been Flux Cored Wires use for industrial welding applications in infrastructure projects.

Revenue Contribution from  
Cored Wires

# 48%

Revenue Contribution from  
Aluminium Flipping Coils

# 52%

## 1. Cored Wires

At the heart of our product portfolio lies the Cored Wires. These continuous steel tubes, consisting of a rich assortment of alloys, serve as agents to add various qualities & characteristics when injected into molten metal; thus converting iron into steel.

Its purpose is to impart a myriad of coveted characteristics to the final product. With utmost precision, Cored Wires excel in refining steel, adding alloys, and modulating inclusions. They take charge of deoxidation, desulphurisation, and de-phosphorisation, imbuing the desired chemical harmony within the molten metal, uniformly and homogeneously. Being a more efficient and accurate method, Cored Wires elevate the process of steel refinement. These

ingenious wires epitomise efficiency, maximising the recovery yield and enhancing the purity of the molten metal.

### The Cored wire advantage:

Cored wires are a game-changing substitute for the traditional single-shot addition method, being more efficient and less alloy-intensive as compared to single-shot addition. In the bygone era, lumps of ferroalloys and minerals were roughly deposited into the steel ladle, creating the disadvantage of uneven settling at the ladle's bottom before melting & homogeneously mixing into the molten metal. However, the advent of Cored Wires revolutionised this process by eliminating such setbacks. These remarkable wires bring forth uniformity and homogeneity, facilitating the seamless fusion of alloys within the

ladle. With unparalleled accuracy and efficiency, Cored Wires usher in a new era of precise chemical element integration, ensuring the steel-making process is elevated. Today, they stand as an indispensable cornerstone of the metallurgical industry.

### Key products:

Calcium Silicide, Calcium Iron, Calcium Aluminium Iron, Calcium Solid Wire, Lead Cored Wire, Ferro Titanium, Carbon, Ferro Boron, Magnesium Ferrosilicon, Nitride Manganese, Ferro Niobium.

### Application industry:

Steel, Stainless Steel and Foundry Industry

## 2. Aluminium Flipping Coils

Renowned for its remarkable deoxidizing capabilities, aluminium stands as one of the strongest and most cost-effective options available for deoxidizing steel. These coils play an important role in steel manufacturing and metallurgical processes, where their true potential shines. Acting as an important element, these coils play a vital role in the production of specialised steel grades, exhibiting their mettle as deoxidizers, grain refiners, nitride formers, and alloying agents for both flats and structures.

The unique strength of aluminium lies in its ability to scavenge nitrogen and foster the formation of captivating "pancake" ferrite

grains. This exceptional trait renders it indispensable, especially in the domain of drawing quality steels, for applications in the automotive industry. Additionally, aluminium's presence empowers low-carbon steels by fortifying their strength through the fixation of interstitial nitrogen. With enhanced cost-effectiveness and efficiency compared to notch bars, ingots, and other forms, Aluminium Flipping Coils emerge as the epitome of excellence in metallurgical applications.

### The remarkable versatility:

While our current focus lies within the domain of metallurgical applications, aluminium flipping coils hold immense potential beyond their metallurgical scope. Particularly, when it comes

to electric-grade cables, a world of possibilities emerges. These exceptional rods find their purpose in the creation of cables and wires, serving as conduits for the flow of electricity. They become vital components within the infrastructure of State Electricity Boards, Power Distribution Companies, and other power grids, facilitating the seamless transmission of electrical energy.

Although our current focus revolves around application within the metallurgical landscape, our forward-thinking mindset prompts exploration of potential applications beyond this realm.

## 3. Flux Cored Wire

The flux cored wire product segment is a recent addition in our product portfolio. This is a type of welding process that utilises a consumable electrode surrounded by flux, which melts during welding to create a protective shield for the joint. Flux cored wire offers advantages such as higher deposition rates, improved

weld bead appearance, and the ability to weld thick materials. It also provides excellent mechanical properties, including high-strength welds and strong impact values. This product category allows us to offer solutions and cater to diverse customer needs beyond the metallurgical industry. Flux cored wires are usable for welding on plain,

carbon, alloy, stainless as well as duplex steel.

Applications: Fabrication Workshops, Shipbuilding Industry, Construction Activities, Mechanical Industries, Hardfacing & Surfacing.

## 4. Cored Wire Feeder Machines

Our Cored Wire Feeder Machines exemplifies our commitment to delivering comprehensive one-stop solutions to our esteemed clients. These advanced machines have been meticulously designed to offer greater process control, ensuring the utmost precision and consistency for injection of Cored Wires into steel ladles.

Our cored wire feeder machines work in favour of homogeneity, precisely controlling the speed at which the cored wire coil uncoils within the molten steel. With a wide range of custom-designed options, including 2 and 4 strand configurations, our machines handle wires ranging from 5 to 15 mm in diameter, achieving an impressive speed of up to 300 metres per minute.

As the Indian steel industry witnesses significant capacity additions, we have proactively embraced a go-to-market strategy, actively collaborating with customer plants to install our wire feeder machines. This strategic approach positions us as the comprehensive solution provider, enabling us to forge lasting partnerships and drive consistent and repeat business.

• VENTURE INTO FLUX CORED WIRES

# Flux cored wire: A new chapter in our product range

As a prominent player in the metallurgical solutions industry, we have always been at the forefront of delivering innovative solutions to the steel industry. With a strong focus on quality and customer satisfaction, we have established ourselves as a trusted partner to major steel manufacturers. However, in our quest to expand and diversify our product portfolio, we recognize the need to venture into new frontiers and explore untapped opportunities.

In line with this vision, the Company has announced to diversify its product offering by entering an adjacent product category - **Flux Cored Wire**.









Flux Cored Wire represents a significant step forward for us, as it not only diversifies our revenue stream but also mitigates the risks associated with market volatility by catering to multiple industries with varying demands.

## Overview

Flux cored wires represent a remarkable advancement in welding processes, specifically Flux Core Arc Welding. These consumable electrodes are uniquely designed with a flux composition surrounding the core. During the welding process, the flux melts in tandem with the electrode, providing a protective shield over the joint. The distinctive characteristics of flux cored wires include higher deposition rates compared to solid wire or stick electrodes, resulting in efficient welding operations. Not only do they yield aesthetically pleasing weld bead appearances, but they also possess the ability to weld thicker materials with precision and finesse.

Beyond their efficiency, flux cored wires offer exceptional mechanical properties, including high-strength welds and remarkable impact resistance. They can be alloyed with various base materials, enabling the production of tailor-made solutions. One notable advantage of flux cored wires lies in their enhanced tolerance towards dirt and mill scale, enabling welding through contaminants with minimal pre-cleaning requirements. This attribute sets them apart from other welding wires or stick electrodes, making flux cored wires a versatile and reliable choice for welding applications.

## Application

|  |  |   |  |
|--|--|---|--|
| <br>Fabrication workshops             | <br>Construction activities   | <br>Shipbuilding industry  | <br>Mechanical industries |
| <br>Used for hardfacing and surfacing | <br>Usable on plain, carbon, alloy, stainless as well as duplex steel | <br>Structural engineering | <br>Automotive industry   |

## Demand drivers

### 1. Increasing demand for high-speed welding solutions:

Flux cored wires are witnessing growing demand due to their ability to deliver high deposition rates, enabling faster welding operations. Industries seeking to improve productivity and reduce project timelines are turning to flux cored wires as an efficient solution. The faster welding speeds offered by these wires contribute to increased efficiency and cost-effectiveness, driving their adoption in sectors such as manufacturing, construction, and infrastructure development.

### 2. Advantages in welding complex and challenging materials:

Flux cored wires excel in welding thick and difficult-to-weld materials, making them indispensable in industries that require robust and reliable welds.

Their exceptional penetration capabilities and ability to fuse dissimilar metals or alloy combinations are advantageous for applications in shipbuilding, automotive manufacturing, and structural engineering. The demand for flux cored wires is expected to rise as industries encounter more complex welding challenges.

### 3. Expansion of key industries and infrastructure projects:

Flux cored wires are poised for growth as key industries, including oil and gas, power generation, and transportation, expand their operations and undertake large-scale infrastructure projects. These wires offer enhanced mechanical properties, such as high-strength welds and superior impact resistance, ensuring the durability and integrity of critical structures. As

the demand for reliable welding solutions increases alongside industrial growth, flux cored wires will play a crucial role in supporting these developments.

### 4. Technological advancements and material innovations:

Ongoing advancements in flux cored wire technology, including improved flux formulations and alloy compositions, contribute to their expanding range of applications. As new alloys and specialised wire variants are introduced, flux cored wires can cater to a broader array of base materials, enabling manufacturers to achieve specific performance requirements. The continuous innovation in flux cored wire materials and manufacturing processes further drives their adoption in various industries.

## Breaking import dependency | Seizing opportunities

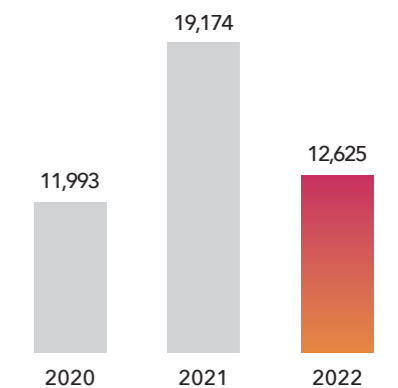
With the current absence of any major domestic manufacturing capacity for flux cored wires in India, the market predominantly relies on imports, largely sourced from China. Recognizing this gap in the industry, Sarthak Metals aims to harness the untapped potential and explore opportunities to establish capacity at its current manufacturing base in Bhilai. By doing so, the Company envisions offering a compelling import substitution solution.

The strategic move to establish a manufacturing base for flux cored wires in India aligns with the emerging global trend of adopting a 'China+1' strategy. As companies worldwide seek to diversify their supply chains and reduce dependence on a single manufacturing hub, having a robust production facility in India presents a valuable alternative asset.

By leveraging India's skilled workforce, our existing technological capabilities in Cored Wires, and

India's growing welding industry, Sarthak Metals endeavours to establish a manufacturing ecosystem that offers high-quality flux cored wires. This strategic venture not only caters to the immediate market needs but also demonstrates the Company's commitment to supporting India's industrial growth and self-reliance goals. Sarthak Metals' foray into the flux cored wire market aims to unlock India's manufacturing potential while fostering import substitution, bolstering the country's position as a key player in the global arena.

Indian Imports of Flux Cored Wire



Source: Volza

14,500 TPA

3Y average import quantities

1,200 TPA

Initial capacity announced by SML



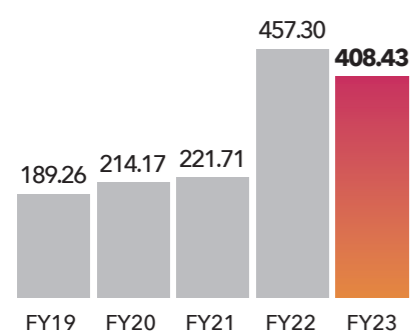
KEY PERFORMANCE INDICATORS

# Performance snapshot

Amidst the prevailing macroeconomic headwinds that have impacted the steel industry at large, Sarthak Metals has displayed commendable resilience and fortitude. While the overall performance of the steel industry has been tempered, our commitment to our vision and implementation of effective strategies have positioned us to navigate through these turbulent times. Looking ahead, we are poised to leverage our strengths, capitalise on emerging opportunities, and deliver exceptional performance in the years to come.

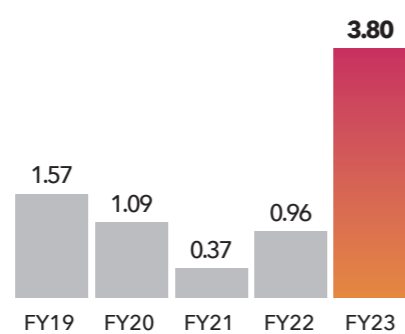
### Revenue from Operations

(₹ in crores)



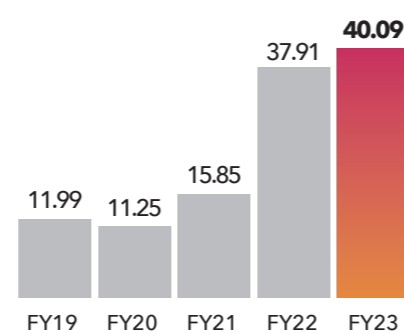
### Other Income

(₹ in crores)



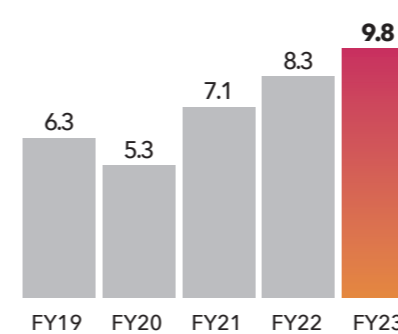
### Operating Profit

(₹ in crores)



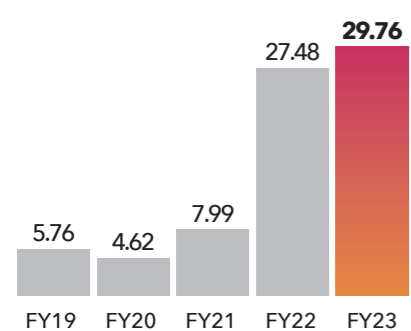
### Operating Profit Margin

(In %)



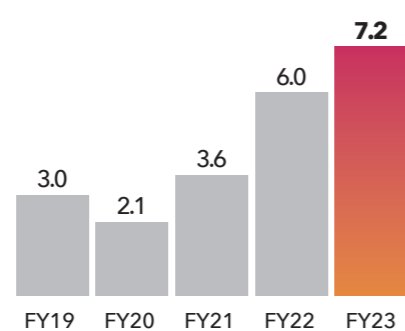
### Profit After Taxes

(₹ in crores)



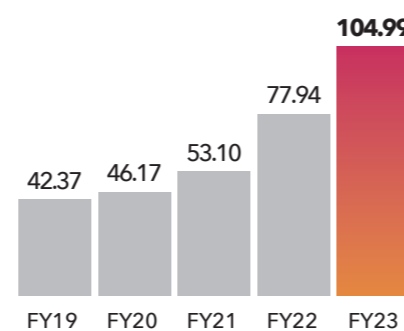
### Profit After Taxes Margin

(In %)



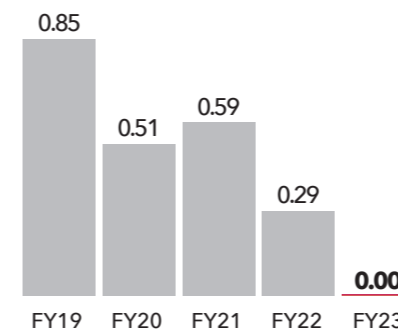
### Equity

(In number)



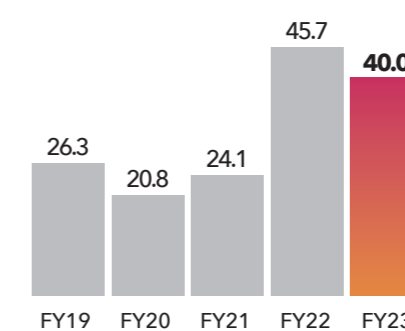
### Total Debt to Equity

(Ratio)



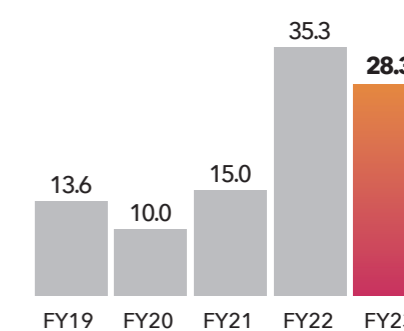
### ROCE

(In %)



### ROE

(In %)



Note: Operating Profits and Operating Profits Margins is adjusted for Other Income i.e. EBITDA less Other Income

CLIENTELE

# Strengthening bonds Serving stalwarts

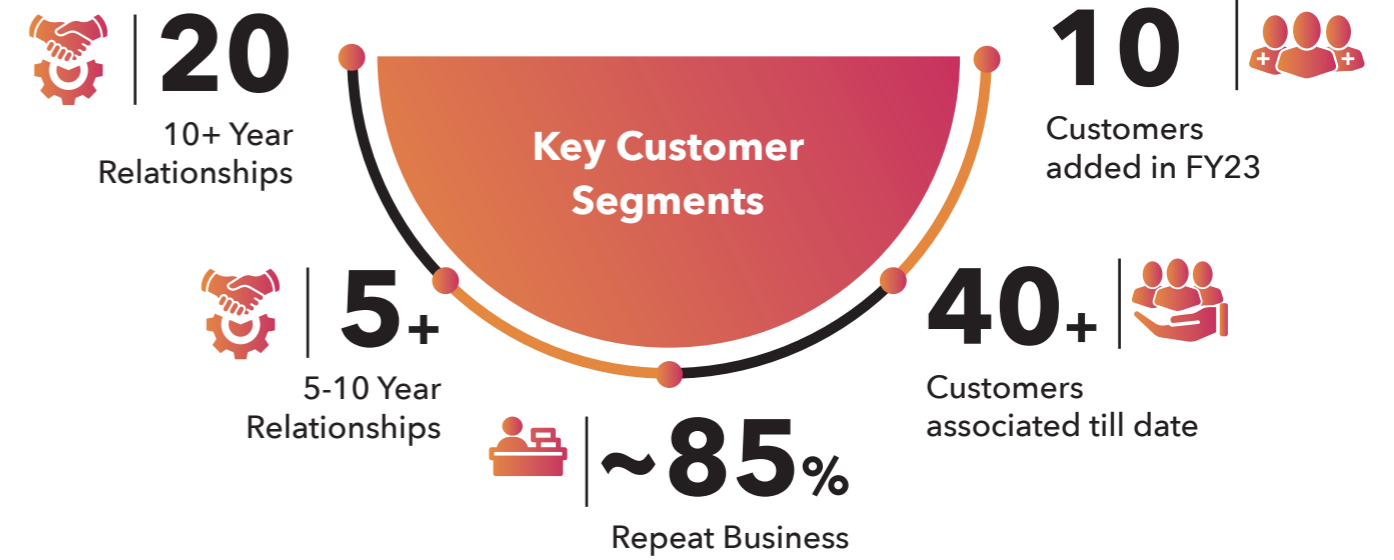
At Sarthak, we believe that our clients are the cornerstone of our success. With determined commitment and dedication, we have cultivated a robust clientele comprising India's leading steel players. Over the years, we have earned the trust and respect of the industry, positioning ourselves as the preferred supplier to the top 5 steel giants in the country. These enduring relationships are a testament to our unwavering pursuit of excellence.

Our journey towards becoming the trusted partner of these esteemed organisations has been driven by our relentless pursuit of quality and on-time delivery. We understand that these factors are pivotal in setting us apart from our competitors. By consistently delivering exceptional products and services, we have fostered long-term partnerships that go beyond mere transactions.

We engage directly with our clients, working closely with them to understand their unique requirements and challenges. By forging collaborative partnerships, we not only provide tailored solutions but also contribute to their growth and success.

This year, we are proud to report that ~85% of our business comes from repeat orders placed by our valued clients.

|                  |  |
|------------------|--|
| Domestic Clients |  |
|                  |  |
|                  |  |
| Export Clients   |  |



INFRASTRUCTURE

# Efficiency & excellence Infrastructure for success

Located in Bhilai, Chhattisgarh, our manufacturing facilities at Sarthak Metals stand as a testament to quality and timely delivery. Equipped with indigenously developed technology to manufacture cored wires, these facilities span a cumulative area of approximately ~5,40,000 square feet, providing us with the necessary infrastructure to cater to the diverse needs of our esteemed customers. Strategically located in close proximity to many of our valued clients, these manufacturing units serve as the backbone of our operations, enabling us to forge stronger partnerships and foster efficient collaboration. With ample land availability for future expansions, we are poised to meet the evolving demands of the market and further enhance our manufacturing capabilities.

At Sarthak Metals, our commitment to excellence extends to our state-of-the-art manufacturing facilities. Equipped with sophisticated machinery and cutting-edge testing equipment, our facilities ensure precise manufacturing processes and stringent quality control. We have four dedicated production lines to manufacturing cored wires. Additionally, we have two dedicated lines for the production of aluminium flipping coils. These in-house facilities are tailored to our

specific requirements, allowing us to maintain complete control over the production process.

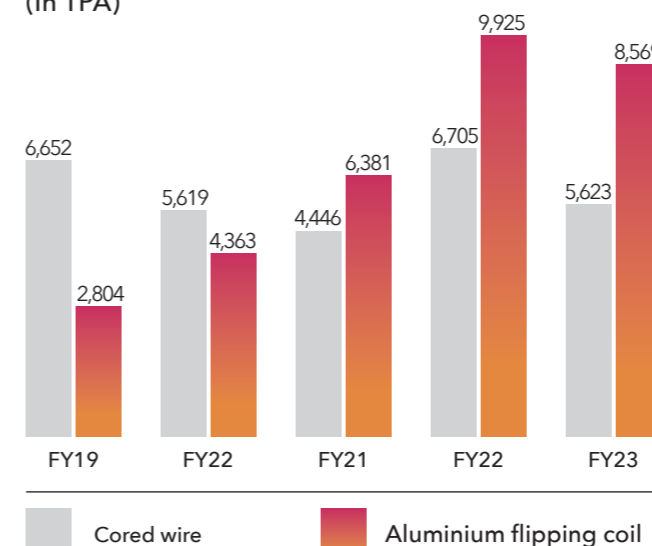
As an ISO 9001:2008 certified unit, we uphold the highest standards of quality and performance. Our manufacturing units house a fully-functional testing lab, equipped with an atomic absorption spectrophotometer for comprehensive testing and quality assurance of both raw materials and finished products. This enables us

to deliver products of exceptional quality, ensuring that they meet the most stringent industry standards. Supported by our experienced R&D team, we not only develop value-added products for our customers but also drive innovation by creating new industrial processes and optimising existing ones. This proactive approach allows us to enhance quality while reducing costs, positioning us as a leader in the industry.

|  |   |   |
|--|---|---|
| <p><b>2</b><br/>manufacturing facilities</p> | <p><b>Production capacity</b></p>         |   |
|  | <p>Cored wire<br/><b>10,000 TPA</b></p>   | <p>Aluminium flipping coil<br/><b>15,000 TPA</b><br/>Expanded in FY23</p> |
| <p>Team strength<br/><b>180+</b></p>         | <p>R&amp;D team strength<br/><b>5</b></p> | <p><b>45%</b><br/>unused land available for future expansion</p>          |

## Production trends

(In TPA)



## Capacity Expansion

As part of our strategic growth plans, we took decisive steps in FY22 to augment the capacity of our key product categories, aligning with the increasing utilisation of our manufacturing assets. In FY23, we successfully achieved a remarkable 50% capacity enhancement in the Aluminium Flipping Coils segment, increasing our production capacity to 15,000 TPA. Looking ahead, we will be further expanding our capacity in the Cored Wires category when needed. This expansion will be completed in the existing premises at Bhilai. These capacity enhancements reflect our commitment to meet the growing demand of our customers and strengthen our position as a reliable and preferred supplier in the industry.

Recently, the Company also announced its foray in Flux Cored Wire manufacturing. The Company is in the process of setting up an initial capacity of 1,200 TPA, which will be scaled up significantly once product acceptance is established and business development activities are scaled up.

## Seamless storage solutions for uninterrupted delivery

At Sarthak Metals, we understand that a robust and reliable supply chain is a vital aspect of our business. To ensure uninterrupted product availability and to strengthen our position as the preferred supplier to leading Indian steel mills, we have established a warehouse at our facility in Bhilai to ensure smooth operations.

Our state-of-the-art warehouse serves as the backbone of our operations, providing ample storage space for both raw materials and finished goods. With this, we can ensure a seamless flow of metallurgical solutions to our clients, meeting their requirements and timeliness.

|   |   |
|---|---|
| <p><b>Cored wires</b></p> <p><b>1,500</b> SQ MT<br/>material storage space</p> <p><b>2,000+</b><br/>tonnes stock storage capacity, equivalent to 3 months of buffer stock</p> | <p><b>Aluminium flipping coils</b></p> <p><b>2,800</b> SQ MT<br/>material storage space</p> <p><b>4,000 +</b><br/>tonnes Stock storage capacity, equivalent to 4 months of buffer stock</p> |
|---|---|

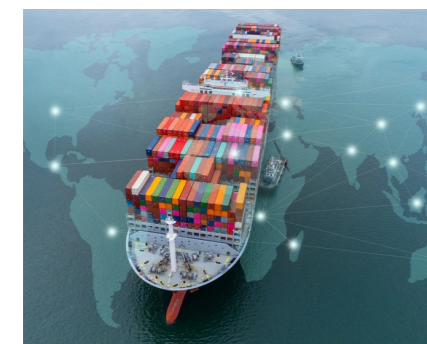
● STRATEGIC PRIORITIES

# Setting the stage for success

In pursuit of sustainable growth and market leadership, we have diligently defined our strategic roadmap for the coming years. Guided by a prudent and forward-thinking approach, we are poised to navigate the evolving business landscape, capitalise on emerging opportunities, and create a sustainable future for ourselves and our stakeholders.

## 1. Expanding Capacities: Driving Growth and Meeting Demand

To fuel our growth ambitions and keep pace with increasing market demand, Sarthak Metals is focused on expanding its production capacities across key product categories. Through strategic investments and implementation of new manufacturing lines, we have successfully increased capacity to the tune of 50% in Aluminium Flipping Coils. In future, we plan on increasing capacity of our Cored Wire vertical as well, as and when we effectively utilise our existing manufacturing capacity. These capacity enhancements will empower us to fulfil the evolving needs of our customers and seize new opportunities in the coming years.



## 2. Strengthening Export Business: Unleashing Global Growth Potential

To unlock higher growth rates, Sarthak is dedicated to expanding its presence in crucial export markets. Building on our successful track record in international trade since 2014, we aim to not only enter new countries but also deepen our relationships in existing export markets. This strategic approach allows us to diversify our revenue streams, reduce dependency on a single market, and optimise blended realisations.

## 3. Product Diversification

In a strategic move, Sarthak Metals is diversifying its offerings by entering the flux cored wire segment, catering to welding applications in fabrication units and industries. This expansion into an adjacent product category allows us to reduce reliance on a single application industry and insulate ourselves from market volatility. Leveraging our technical expertise and product prowess from Cored Wires, we will establish a pilot manufacturing line within our existing facility, with plans to scale up based on customer response and demand. By tapping into this import-dependent product category, which currently has limited capacities in India, we aim to create a new revenue stream and strengthen our position as a diversified solution provider in the metallurgical solutions industry.



## 4. Exploring Alternate Applications: Expanding Market Reach

To further expand our market reach, we are actively exploring alternate applications for our existing products. While our core expertise lies in serving the metallurgical industries, we recognize untapped opportunities beyond these sectors. Notably, our aluminium flipping coils possess potential applications in diverse industries, such as electrical. By leveraging the versatility of our products, we can tap into new markets and broaden our customer base, thereby increasing our revenue potential. Exploring alternate applications allows us to stay at the forefront of innovation and expand our horizons.



## Strengths

At Sarthak Metals, we stand on a few pillars of strengths that fortify our position as a leader. These attributes serve as the bedrock of our market leadership and customer trust. With a proven track record of excellence and a commitment to innovation, we have emerged as a force to be reckoned with in the metallurgical solution industry.

**1** One-stop solution provider of consumables for metallurgical applications

**2** Established reputation as a top player in the metallurgical cored wires industry

**3** Strategically positioned facilities for enabling operational efficiency

**4** Trusted by India's leading steel players, showcasing a strong clientele

**5** Consistent track record of delivering reliable and high-quality solutions

**6** Guided by experienced promoters and supported by a strong parentage and a dynamic 2<sup>nd</sup> generation driving expansion into new segments

(Read more in pg 10)

## LETTER TO SHAREHOLDERS

# The pioneer's advantage

## A strategic shift that fuels profits



**Mr. Anoop Kumar Bansal**  
MANAGING DIRECTOR

Dear Shareholders,

As I reflect upon the past year, I am overwhelmed with gratitude and a deep sense of appreciation for each and every one of you - our esteemed stakeholders. I would like to extend my heartfelt thanks to our dedicated employees, whose commitment and tireless efforts have been the cornerstone of our success. Your passion has been instrumental in propelling us forward, even in the face of adversities.

To our esteemed clientele, I express my deepest gratitude for your trust and continued support. Your partnership has been invaluable, and it is through your belief in our products and services that we find the inspiration to constantly push the boundaries of innovation. Your commitment, even during challenging times, serves as a testament to the strength of our relationships.

At Sarthak Metals, we view this support as more than mere patronage; it is a source of motivation in everything we do. It is during times of uncertainty that we are reminded of the true power of collaboration and collective determination. Together, we have weathered storms and navigated uncharted territories, emerging stronger and more resilient.

### Agility in the face of uncertainty: A lookback at FY23

Looking back at the year, it is undeniable that we faced some challenges and witnessed choppy waters in the Indian steel industry. The imposition of export duties on the Metals & Mining industry by the Government of India in May 2022, led to a sudden disruption and change in market sentiment, causing major players to rejig their production & sales plans, and effectively dampening product realisations across the board. This shift resulted in a significant correction in prices and a period of adjustment as the industry grappled with the new environment.

As ancillary suppliers, we were not fully immune to the impact of these changes. While our business model largely insulates us from price corrections in the steel industry, we do witness effects of volume disturbances on our business. In response to these challenges, we swiftly adapted our strategy to maximise the sales of value-added & higher-value products in our portfolio. Our aim was to mitigate the impact of lower volumes and lower price realisation, and I am pleased to report that our efforts yielded positive results, particularly in Q2 and Q3 of the year. Thus, despite lower sales, we were able to achieve better margins and maintain overall profitability in FY23. It is important to acknowledge that Q4 presented its own set of obstacles, as some of our clients underwent maintenance shutdowns, resulting in lower volumes for us. However, as we look ahead, I am optimistic that we are emerging from the tunnel of uncertainty. The macroeconomic environment is gradually stabilising, and the long-term outlook for the steel industry remains robust. The initial shocks have subsided, and we are well-positioned to capitalise on the opportunities that lie ahead.

To summarise, the past year has tested our resilience and

strategic acumen. It has reinforced the importance of flexibility and adaptability in the face of unexpected disruptions. As we move forward, we will continue to leverage our strengths, innovate relentlessly, and forge ahead with confidence, knowing that our steadfast determination will propel us to greater success.

### A promising outlook

As we cast our gaze towards the horizon, we are filled with a renewed sense of optimism and determination to reclaim our growth trajectory. Despite the temporary setbacks we encountered, we hold steadfast in our belief that all the short-term challenges of the steel industry will settle down, paving the way for a gradual resurgence in demand for our product offerings. In a bid to navigate the prevailing circumstances, we are also actively venturing into export markets, an area that holds immense potential for growth and expansion. Moreover, we have observed substantial capital expenditure plans from major players in the steel industry, which paves the way for sustained growth of our operations.

In our pursuit of accelerated growth, we have strategically decided to broaden our product portfolio by venturing into new frontiers. Building upon our previous achievements in scaling up our Aluminium Flipping Coils, we are diversifying horizontally into Flux Cored Wires. These wires find utility in welding applications for commercial fabrication units, thus signalling our expansion beyond the confines of metallurgical applications. By deliberately diversifying our product offerings, we fortify ourselves against the inherent risks associated with over-reliance on a singular industry.

Our expertise from Cored Wires seamlessly aligns with the demands of this new venture, instilling us with confidence in our technical know-how and product prowess, which will

undoubtedly forge an indomitable presence within this industry. To embark on this venture, we are setting up a pilot manufacturing line within our existing facility, allowing us to gauge customer response and market demand with precision. Given the scarcity of domestically available capacities for this import-dependent product category, we envision a decent inflow of orders in the coming year. Based on the success of this pilot capacity, we will venture to set up a larger capacity for this product category.

As we march forward, our strategic focus on value-added products, our exploration of untapped export markets, and our expansion into adjacent product categories positions us optimally to capitalise on growth. Our first and foremost commitment remains centred on enhancing shareholder value and delivering sustainable long-term success.

In closing, I would like to express my heartfelt gratitude to all our stakeholders for their unwavering support and belief in Sarthak Metals. Your trust and commitment have been instrumental in our journey of growth and success.

At Sarthak Metals, our vision is to evolve into a diversified solution provider, expanding our presence in dynamic industries. We are committed to leveraging our technical expertise, innovation, and strategic partnerships to drive value and deliver superior solutions to our customers. By embracing change, exploring new avenues, and staying ahead of industry trends, we aim to remain at the forefront of the metallurgical solutions landscape.

Thank you.

Warm Regards,  
**Mr. Anoop Kumar Bansal**  
MANAGING DIRECTOR



In response to the macro challenges, we swiftly adapted our strategy to maximise the sales of value-added & higher-value products in our portfolio.

## ● BOD PROFILES

## Strategic minds Strong governance

Our Board of Directors, an assembly of exceptional individuals represents a blend of diverse backgrounds, invaluable experiences, and visionary thinking. They intricately weave their collective knowledge and astute guidance, shaping the destiny of our Company. With resolute dedication, our Board not only navigates the ever-shifting tides of the business landscape but also safeguards the core values that define our organisation.

### Mr. Sunil Kumar Agarwal

Chairman & Non-Executive,  
Non-Independent Director



Leading our board, **Mr. Sunil Kumar Agarwal** possesses a Bachelor's degree in Engineering (Mechanical) with honours. Drawing upon his extensive experience with prestigious organisations such as GCET Raipur and Indian Railways Traffic Services, Mr. Agarwal brings valuable insights to our Company. Having held significant roles, including Divisional Railway Manager, Chief Commercial Manager, SEC Railway, and an additional member to the Ministry of Railways, he contributes his expertise and guidance to drive our strategic decision-making processes.

### Mr. Sanjay Shah

Whole-Time Director



A key member of our leadership team, **Mr. Sanjay Shah** heads our Marketing team. He has been instrumental in establishing Sarthak's domestic business, forging strong relationships with leading steel institutions across the country. Through his efforts, we have secured partnerships with the largest Indian steel mills in India, solidifying our position in the market. Mr. Shah's expertise and strategic approach have been instrumental in driving our Company's growth.

### Mr. Anoop Kumar Bansal

Managing Director



As our esteemed Managing Director, **Mr. Anoop Kumar Bansal**, brings forth a wealth of experience and a strategic mindset. With a Bachelor's degree in Commerce from Nagpur, he has been instrumental in shaping our Company's strategic planning. His innovative commercial ideas, coupled with his execution-led experience, have played a pivotal role in our success. Mr. Bansal's visionary approach has fueled our growth, he also oversees DB Group's ferroalloys division and previously managed the industrial gases division of the Company. Furthermore, he spearheads our CSR initiatives, reflecting his commitment to responsible business practices.

### Mr. Mayur Bhatt

Whole-Time Director and CEO



**Mr. Mayur Bhatt** is a vital link between our production and sales functions as our Whole-Time Director and Chief Executive Officer. With his exceptional skills in managing day-to-day business operations and financial activities, Mr. Bhatt ensures the seamless functioning of our organisation. Additionally, he plays a crucial role in raw materials management, optimising our resources for maximum efficiency. Mr. Bhatt's contributions have greatly enhanced the overall performance and success of the company.

### Ms. Rama Kohli

Non-Executive, Independent  
Woman Director



**Ms. Rama Kohli**, enriches our board with her diverse background and expertise. With a Bachelor's degree in Science from Pt. Ravishankar Shukla University and a PGDBM from the same institution, she provides valuable insights through her management advisory activities. Ms. Kohli's profound understanding of the industry and her strategic perspective contribute to our board's well-rounded composition.

### Mr. Sunil Dutt Bhatt

Non-Executive,  
Independent Director



**Mr. Sunil Dutt Bhatt**, brings over 36 years of experience in the Instrument and Weighing department at Bhilai Steel Plant, SAIL. Having recently retired in 2020, he joined our board in 2021, enriching our discussions with his deep knowledge of the steel industry. Mr. Bhatt's invaluable expertise and insights make him a valuable asset to our Company.

### Mr. Dwadasi Venkata Giri

Non-Executive  
Independent Director

**Mr. Dwadasi Venkata Giri's** profound understanding of the banking and finance domain adds valuable perspective to our board. His academic achievements, including a Post Graduation degree in Commerce from Pt. Ravishankar Shukla University, combined with his legal and financial expertise, make him an asset to our company. With his vast experience

and comprehensive knowledge, Mr. Giri provides valuable insights and guidance on matters related to finance, ensuring sound financial management and decision-making within our organisation. His presence on our board strengthens our governance and adds depth to our strategic discussions.



### Second Generation Leaders



#### Mr. Samarth Bansal

- Joined Sarthak Metals in 2017
- Qualification: Automobile Engineer
- Roles & Responsibilities: Production



#### Mr. Sagar Shah

- Joined Sarthak Metals in 2017
- Qualification: Civil Engineer
- Roles & Responsibilities: Marketing & Procurement

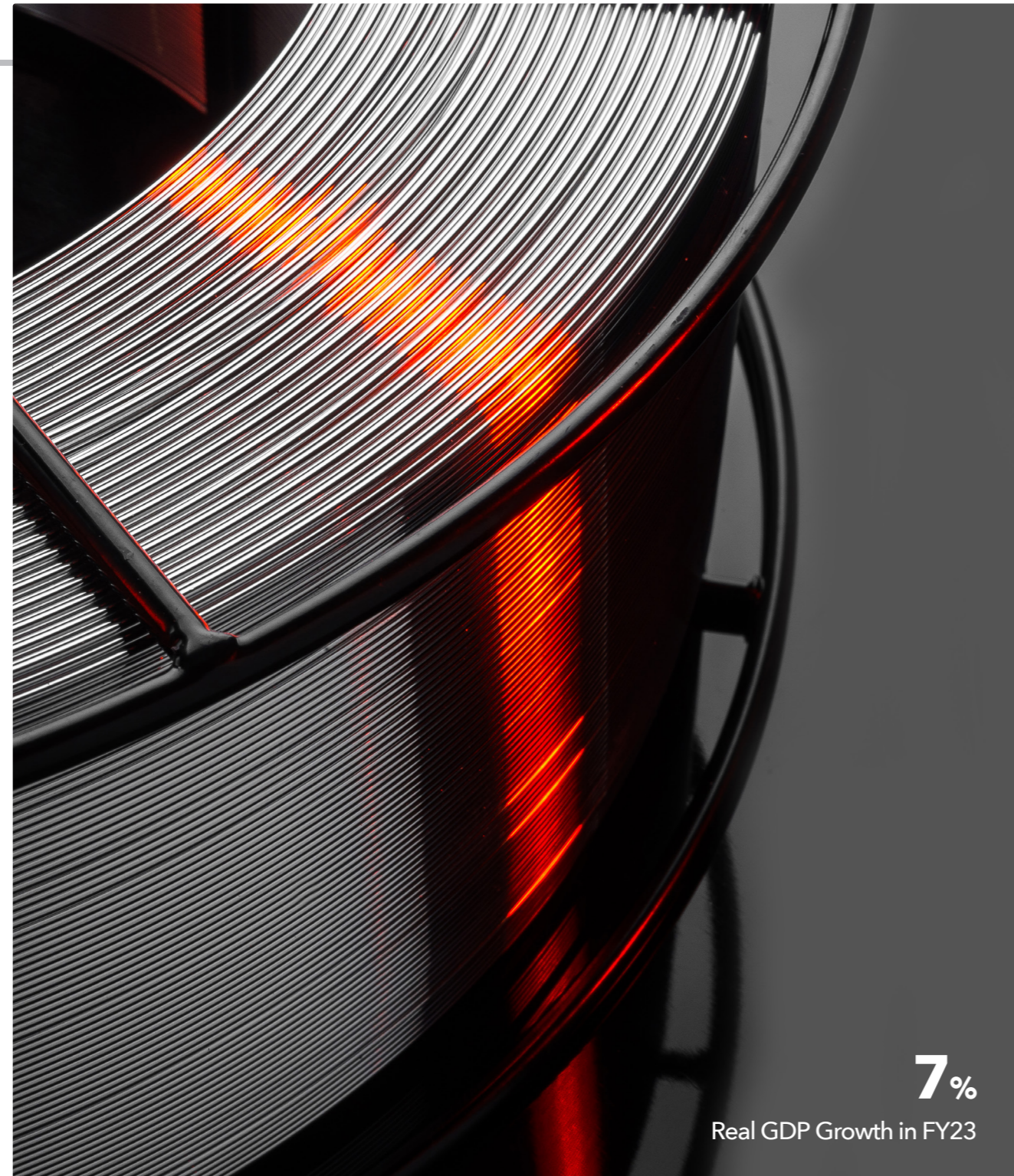


#### Mr. Sarthak Bansal

- Joined Sarthak Metals in 2019
- Qualification: Civil Engineer
- Roles & Responsibilities: Every day operations

MD & A

# Management discussion and analysis



## Economic overview

### Indian economy

The Indian economy has displayed remarkable resilience in the face of several significant challenges, including the unprecedented impact of the COVID-19 pandemic, geopolitical tensions, and global policy rate hikes aimed at curbing inflation. Despite these headwinds, India is poised to achieve an impressive real GDP growth rate of 7% for FY23, building upon the exceptional growth of 8.7% witnessed in the previous year. This resurgence can be primarily attributed to two key pillars of strength: private consumption and capital formation, both of which have not only propelled economic expansion but also contributed to substantial job creation.

Private consumption has emerged as a formidable driving force, representing a staggering 58.4% of GDP in the second quarter of FY23. This surge was fueled by a resounding rebound in contact-intensive services, including trade,

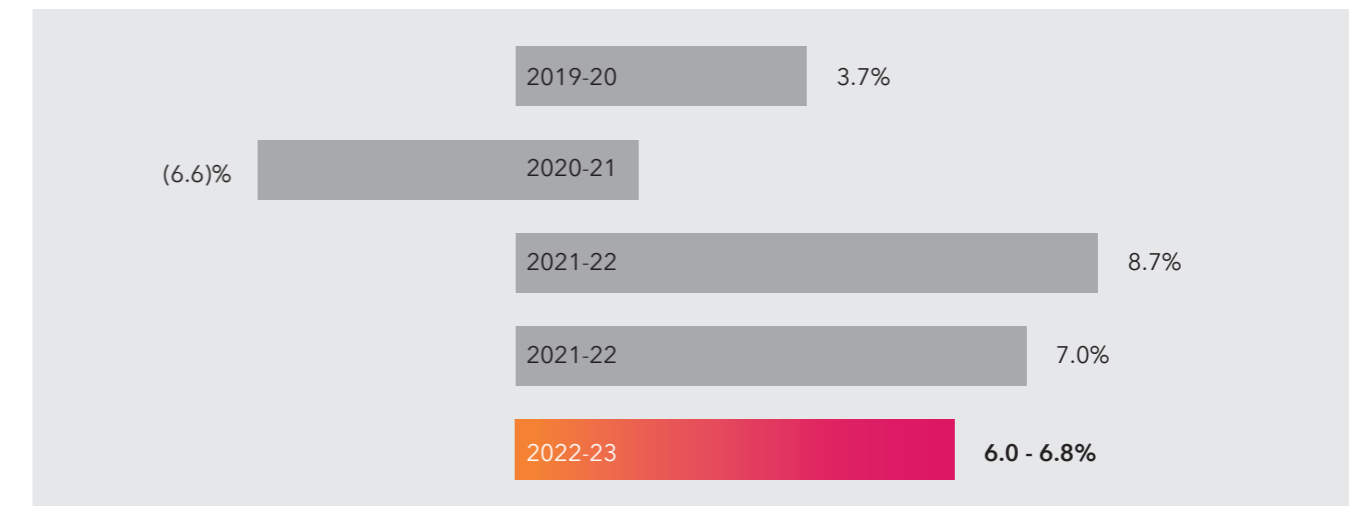
hotels, and transportation. As these sectors regained their momentum, consumer sentiments soared, further bolstered by the world's second-largest vaccination drive, which has administered over 2 billion doses. The combined effect of increased consumer spending and improved confidence has acted as a powerful catalyst, sustaining the momentum of the consumption rebound.

In parallel, CAPEX by the central government played a pivotal role in revitalising the Indian economy. The central government's CAPEX surged by an impressive 63.4% during the first eight months of FY23, thereby stimulating private investment and creating a virtuous cycle of economic growth. This significant public sector investment, coupled with the strengthening of corporate balance sheets and enhanced credit financing, holds the promise of catalysing sustained private CAPEX growth. As these positive dynamics unfold, the Indian economy is well-positioned

to regain its pre-pandemic growth trajectory, outpacing many other nations and reaffirming its status as a resilient and vibrant economic powerhouse.

As we reflect upon the challenges faced and the milestones achieved, it is evident that India has not only weathered the storm but emerged stronger. The proactive measures implemented by the government and the Reserve Bank of India (RBI), combined with the favourable impact of global commodity price stabilisation, have successfully steered the Indian economy towards recovery. Retail inflation was brought below the RBI's upper tolerance target, underscoring the efficacy of the adopted policies. With the sustained momentum in private CAPEX, improved corporate balance sheets, and expanded credit financing, the Indian economy is poised to ascend to new heights, forging a path of resilience, prosperity, and long-term sustainable growth.

### GDP Growth At constant price



Source: PIB, Ministry of Finance

## Industry overview

### Indian steel industry

Despite facing temporary setbacks caused by the pandemic and global trade disruptions, followed by imposition of export duty by Government of India in mid-2022, the sector has swiftly regained its stride and is now back on track. Today, India proudly claims the second spot in global steel production, churning out a staggering 120 million tonnes, second only to China. The domestic appetite for steel is set to soar, with a projected growth rate of 10-12% in FY23. This remarkable surge is fueled by significant investments in infrastructure projects and government support, shaping a future brimming with promise for the Indian steel industry.

Following a temporary slowdown, the Indian steel sector has roared back to life, fueled by soaring global demand. In 2021-22, the industry witnessed a

remarkable resurgence, propelling its growth rate to a projected 6.7% in 2023. The prospects for the Indian steel industry are exceptionally bright, bolstered by strategic shifts in export taxes and import duties. Moreover, the nation's insatiable thirst for affordable housing, robust infrastructure, and ambitious construction ventures has ignited an unprecedented demand for steel. The government's commitment to self-sufficiency has paved the way for sustainable urban development, cutting-edge logistics parks, and sprawling industrial corridors, creating an environment ripe with opportunities for both finished steel products and raw materials. These transformative endeavours have triggered a rise in demand, setting the stage for an era of unbridled growth in the Indian steel industry.

While various factors, including the surge in raw material prices like iron ore and coking coal, and the upswing in infrastructural and engineering projects, have influenced daily steel prices, experts predict that the industry will witness a remarkable ascent. As the Indian steel industry shines as a global leader, it showcases the nation's prowess and unyielding determination. With soaring production figures, exponential domestic consumption, and government support, the industry is poised to reach unprecedented heights, charting a course towards a future where steel reigns supreme in India's journey of progress and prosperity.

### Key trends

The Indian steel industry is experiencing a dynamic transformation driven by key trends that shape its growth, sustainability, and global competitiveness.

1. The successful realisation of focused production of value-added steel hinges upon the indispensable collaboration between the private sector and the government. By fostering a strategic alliance, these key stakeholders can leverage their respective strengths, expertise, and resources to drive innovation, technological advancements, and efficient production processes. This collaborative effort paves the way for the development and manufacturing of high-quality, specialised steel products that cater to diverse industry needs.
2. Recognizing the importance of environmental conservation, the Indian steel industry is embracing initiatives such as Green Steel and the Hydrogen Mission. These endeavours are aimed at reducing carbon emissions and promoting the adoption of low-carbon technologies. By integrating greener practices into steel production processes, the industry can contribute to a more sustainable future. The implementation of these initiatives demonstrates a commitment to environmental stewardship and aligns with global efforts to combat climate change.
3. To remain competitive in the global steel market, the industry is actively investing in research and development (R&D) activities. This emphasis on innovation facilitates the development of new products and encourages the adoption of best practices across the sector. By fostering a culture of continuous improvement and technological advancements, Indian steel manufacturers can enhance their product offerings, optimise production processes, and maintain a competitive edge on the global stage.

### Growth drivers

**1. Production Linked Incentive Scheme:** An instrumental step towards bolstering specialty steel production, the Ministry of Steel has forged partnerships with 27 prominent companies, signing 57 MoUs under the Production Linked Incentive (PLI) scheme. This strategic collaboration between industry players and the government is set to unlock focused production of value-added steel. With an impressive investment of ₹ 6,322 crore approved for the steel sector's growth, this scheme not only stimulates job creation but also positions India to emerge as the world's third-largest economy by 2030-31. Over the next five years, the industry aims to achieve an additional capacity of 25 million tonnes (MT) of specialty steel, fueling its expansion and global prominence.

**2. Abundant Resources:** India benefits from the availability of abundant iron ore, which remains one of the most widely accessible resources domestically. This availability helps to mitigate steel production costs. Additionally, the country enjoys a favourable labour market, providing cost-effective and readily available labour for the capital and labour intensive steel manufacturing process.

**3. Government Support:** The government has implemented various initiatives to boost steel production in India, with a target of reaching 300 million tonnes by 2030. Measures addressing technology, logistics, and infrastructure bottlenecks reflect the government's commitment to fostering a conducive environment for the steel industry's growth and expansion.



### Outlook

The Indian steel industry is poised for a promising outlook, supported by a comprehensive capital expenditure plan worth ₹10 lakh crore. This ambitious initiative aims to foster self-reliance by focusing on domestically produced steel, propelling India's position as a leading manufacturing hub. As a result, the sector's contribution to India's GDP is expected to rise from its current 2% to an impressive 5%. The demand for steel as a raw material continues to surge, driven by its numerous benefits and wide-ranging applications across industries. While concerns regarding price hikes and environmental considerations persist, the manifold advantages offered by this versatile metal underscore its indispensable role in various sectors. With robust growth prospects, the Indian steel industry is poised to capitalise on emerging opportunities and cement its position as a key player in the global steel market.



## Company overview

Sarthak Metals Limited, a prominent member of the esteemed Desraj Bansal Group, holds a distinguished position as India's premier manufacturer and exporter of Cored Wires and Aluminium Flipping Coils. With a strong focus on precision metallurgy and fine-tuning steel manufacturing, the Company delivers cutting-edge products and tailored solutions to meet the industry's demanding standards. Headquartered in Bhilai, Chhattisgarh, Sarthak Metals strategically locates itself in close proximity to a pivotal steel hub in India, enabling seamless collaboration and fostering valuable partnerships.

At the heart of Sarthak's operations lies a commitment to excellence, exemplified by its world-class manufacturing facilities. These state-of-the-art facilities, boasting prestigious ISO 9001-2000 certification, harness the latest technological advancements to ensure rigorous testing and inspection processes, resulting in the consistent production of superior-quality products. Renowned for its dedication to manufacturing expertise, Sarthak has become the preferred supplier to some of India's

largest steel players, earning their trust through adherence to quality.

Recognizing the importance of diversification, Sarthak has diligently expanded its product portfolio, fortifying its core capabilities. In addition to its renowned Cored Wires and Aluminium Flipping Coils, the Company offers Cored Wire Feeder Machines and has recently embarked on an exciting new journey into the world of Flux Cored Wire. This diversification not only diversifies revenue streams but also enables Sarthak to extend its market presence beyond the confines of the metallurgical industry. By pursuing these prudent diversification plans, Sarthak positions itself to capitalise on emerging market trends and establish a strong foothold in multiple industries, driving sustained growth and market leadership.

### Outlook

The Company remains optimistic about its future prospects with a decent visibility to regain its growth trajectory. Anticipating stabilisation in realisation and a gradual increase in demand from the industry, the Company is actively working towards

higher volumes in Cored Wires & Aluminium Flipping Coils product segments, while also preparing to capitalise on the significant CAPEX plans of the steel industry. This surge in production is expected to drive higher demand for the key offerings, reinforcing a promising outlook for the Company's metallurgical solutions.

Furthermore, Sarthak is embarking on a deliberate diversification strategy by venturing into the Flux Cored Wires category, which finds application in welding for commercial fabrication units. Leveraging its technical expertise and product prowess, the Company aims to establish a strong foothold in this, envisioning it as a significant revenue stream in the years to come. By reducing reliance on a single industry, the Company is proactively mitigating market volatility and reinforcing its position as a diversified solution provider in the industries it serves.

Overall, Sarthak Metals is committed to enhancing shareholder value, delivering sustainable long-term growth, and building a brighter future through innovation, strategic expansion, and a steadfast focus on customer-centric solutions.

## Key Financial Ratios

| Particulars                                    | FY22   | FY23   | % variance | Explanation for change in ratio for more than 25%                              |
|--|--------|--------|------------|--|
| Current Ratio                                  | 2.95   | 23.73  | 704.93%    | Increased because of Reduction in Current Liabilities & Short Term Borrowings. |
| Debt - Equity Ratio                            | 0.29   | 0.00   | -100.00%   | Reduced because of Reudction in Borrowings.                                    |
| Debt Service Coverage Ratio                    | 9.96   | 31.02  | 211.50%    | Increased because of Reudction in Borrowings.                                  |
| Return on Equity (ROE):                        | 41.94% | 32.54% | -22.42%    | Reduced because of Increase in Average Equities.                               |
| Inventory Turnover (no. of days)               | 23.11  | 19.07  | -17.47%    | Reduced because of Reudction in Inventory Holding Period.                      |
| Trade Receivables Turnover Ratio (no. of days) | 37.92  | 49.11  | 29.49%     | Increased because of Increase in Receivables Period.                           |
| Trade Payables Turnover Ratio (no. of days)    | 5.08   | 5.87   | 15.43%     | Increased because of Increase in Payables Period.                              |
| Net Profit Ratio                               | 6.01%  | 7.29%  | 21.26%     | Increased because of Increase in Profitability.                                |
| Net Capital Turnover Ratio (no. of days)       | 44.05  | 69.21  | 57.13%     | Increased because of Increase in Working Capital.                              |
| Return on Capital Employed (ROCE)              | 39.70% | 39.55% | -0.36%     | Reduced because of Increase in Capital Employed.                               |
| Return on Investment (ROI)                     | NA     | NA     | 0.00%      |  |

## Risks and concerns

By recognizing and actively addressing these risks and concerns, Sarthak Metals is committed to mitigating potential challenges, ensuring the safety and reliability of its operations. The Company's proactive risk management strategies and adherence to industry's best practices bolster its resilience and strengthen its long-term prospects.

| Risk Factor  | Impact  | Mitigation Strategies   |
|--|---|---|
|  <p><b>Safety risk</b></p>                  | Ensuring the utmost safety of Sarthak Metals' manufacturing facilities is of paramount importance. Compliance with stringent workforce and process safety regulations and adherence to safety laws are imperative. Any lapses in meeting these requirements may not only tarnish the Company's reputation but also disrupt its business operations.   | <ul style="list-style-type: none"> <li>Implementing robust safety protocols and training programs to ensure compliance with workforce and process safety requirements.</li> <li>Regularly monitoring and evaluating safety measures to identify and address potential risks promptly.</li> <li>Fostering a culture of safety awareness and accountability among all employees.</li> </ul>                                     |
|  <p><b>Regulatory risk</b></p>              | The Company is exposed to the risk of unfavourable changes in trade measures, including the withdrawal of beneficial trade regulations such as minimum import prices, anti-dumping laws, and trade restrictions. These regulatory shifts have the potential to significantly impact Sarthak's profitability and financial performance.  | <ul style="list-style-type: none"> <li>Staying updated with evolving regulatory changes and proactively adapting to comply with new requirements.</li> <li>Diversifying the Company's market presence to reduce dependence on specific regulations or regions.</li> <li>Engaging with industry associations and regulatory bodies to advocate for favourable trade policies.</li> </ul>                                       |
|  <p><b>Supply chain risk</b></p>           | The Company's supply chain network plays a vital role in its operations. It is susceptible to various risks, including physical environmental challenges, trade restrictions, geopolitical disruptions, and dependence on outsourced partners for a significant portion of its raw materials. Any disruptions in the supply chain can adversely affect Sarthak Metals' operations and potentially impact its business continuity. | <ul style="list-style-type: none"> <li>Establishing alternative sourcing options and building strong relationships with multiple suppliers to minimise dependence on a single source.</li> <li>Enhancing supply chain visibility and implementing contingency plans to mitigate potential disruptions.</li> <li>Collaborating with partners to improve communication and coordination throughout the supply chain.</li> </ul> |
|  <p><b>Credit risk</b></p>                | As a regular part of its business, Sarthak Metals faces credit risk when counterparties fail to meet their financial obligations. While managing this risk is crucial, any material or significant bad debt could have adverse implications for the Company's financial health and overall performance.   | <ul style="list-style-type: none"> <li>Conducting thorough credit assessments and due diligence on counterparties to minimise the risk of bad debts.</li> <li>Maintaining a diversified customer base to reduce reliance on a few major clients.</li> <li>Establishing clear credit terms and monitor receivables closely to ensure timely payment collection.</li> </ul>   |
|  <p><b>Commodity fluctuation risk</b></p> | Given the causation between Sarthak Metals' performance and the steel industry, any substantial changes in demand-supply dynamics within the domestic or international steel sector can impact the Company. Fluctuations in commodity prices and market conditions may pose challenges and require proactive measures to maintain stability and profitability.  | <ul style="list-style-type: none"> <li>Continuously monitoring market trends and maintaining a flexible pricing strategy to adapt to changing demand-supply scenarios.</li> <li>Diversifying the product portfolio to reduce reliance on a single commodity or industry.</li> <li>Implementing effective risk management tools, such as hedging, to mitigate the impact of commodity price fluctuations.</li> </ul>           |
|  <p><b>Project management risk</b></p>    | As Sarthak Metals embarks on capital expenditure projects, effective project management becomes vital. While some projects are currently underway and others are in the planning stage for future execution, any significant delays can lead to cost overruns and opportunity costs. Proactive project management and timely execution are crucial to minimise risks and optimise outcomes.                                       | <ul style="list-style-type: none"> <li>Implementing robust project planning and monitoring mechanisms to ensure timely execution and cost control.</li> <li>Conducting thorough feasibility studies and risk assessments before initiating projects.</li> <li>Fostering effective communication and collaboration among project teams to address issues promptly and minimise delays.</li> </ul>                              |

## Effectiveness of Internal Control Systems

The Company maintains robust and comprehensive internal control systems to safeguard its assets, prevent unauthorised use or disposal, and ensure the proper authorization, recording, and reporting of transactions. These internal controls are designed to optimise resource utilisation, enhance operational efficiency, monitor operations, and ensure compliance with relevant laws and regulations. Additionally, the auditors have affirmed the adequacy and effectiveness of the Company's internal control systems, providing further assurance of their reliability and integrity. These measures contribute to the Company's overall governance framework and instil confidence in the accuracy and transparency of its financial and operational activities.

## Human Resource Development and Industrial Relations

At Sarthak, we deeply value our employees as a fundamental asset and a key driver of our company's growth. Recognizing their immense importance, we actively invest in honing their skills and knowledge through comprehensive training and development programs. Our goal is not only to attract the best talent in the

market but also to retain them by establishing ourselves as an employer of choice. We foster a supportive and collaborative work environment that encourages open communication and mutual respect. Moving forward, we are committed to maintaining these positive relationships with our employees.

As of March 31, 2023, our dedicated workforce exceeded 138 individuals, and we continue to strengthen our human capital. We firmly believe that investing in our employees and fostering strong industrial relations will contribute to our continued success and growth.

## Cautionary Statement

Statements in the Management Discussion and Analysis and other parts of the report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries, in which the Company may operate. Other factors that may impact the Company's operations include volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not intend to update these statements.



# Notice

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **Sarthak Metals Limited** will be held on Monday, 21<sup>st</sup> Day of August, 2023 at 12:00 P.M. at Hotel Ashish International, G.E. Road, Bhilai Power House - 490011 for transacting the following business:

## ORDINARY BUSINESS:

### 1. Adoption of Audited Financial Statements:

To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 and the reports of the Board of Directors and the Statutory Auditors thereon.

### 2. Declaration of Dividend:

To declare a final dividend of ₹ 01/- (Rupee One Only) per equity share for the Financial Year ended 31<sup>st</sup> March, 2023.

### 3. Appointment of a Director retiring by rotation:

To appoint a director in place of Mr. Sanjay Chamanlal Shah (DIN: 00350967), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 4. To approve Material Related Party Transactions of the Company with M/s Bansal Brothers:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification:

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transaction, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transactions/Contracts/Arrangements/Agreements (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entity i.e., M/s Bansal Brothers falling within the definition of 'Related Party' under Section 2(76) of the Companies Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the course of (i) Repair & Maintenance of Machine (ii) Purchase or sale of Consumable Packing Goods (iii) Purchase or sale of Wire Feeder Machine (iv) Repairs & Maintenance Shed & Building (v) Purchase or sale of Cored Wires (vi) Sale or purchase of Empty Drums (vii) Sale or purchase of Waste and Scrap (viii) Purchase or Sale of Raw Material (ix) Purchase or sale of Consumable Stores (x) transfer of any resources, services or obligations to meet its business objectives/requirements ("Related Party Transactions") on such material terms and conditions

as may be mutually agreed between M/s. Bansal Brothers and the Company for the Financial Year 2023-24, such that the maximum value of the Related Party Transactions with such party does not exceed value of ₹ 100 Crores for the Financial Year, provided that the said Transactions/Contract/Arrangement/Agreement shall be carried out in the ordinary course of business of the Company and in respect of transactions with related party under section 2(76) of the Companies Act, 2013, are at arm's length basis;

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contracts, agreements and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT**, all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

### 5. To approve and fix the remuneration of the Mr. Anoop Kumar Bansal (DIN: 01661844), Managing Director of the Company:

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

**"RESOLVED THAT**, pursuant to the provisions of Section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for fixing the remuneration of Mr. Anoop Kumar Bansal, Managing Director as ₹ 60,00,000/- per annum (Rupees Sixty Lakhs) for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2023;

**RESOLVED FURTHER THAT**, any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including but not limited to filing of necessary forms/returns with the Ministry of Corporate Affairs, Stock Exchanges, or such other statutory authorities and to comply with compliance requirements in this regard."

**6. To approve and fix the remuneration of the Mr. Sanjay Chamanlal Shah (DIN: 00350967), Whole-Time Director of the Company:**

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

**"RESOLVED THAT**, pursuant to the provisions of section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act and pursuant

to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for fixing the remuneration of Mr. Sanjay Chamanlal Shah, Whole-Time Director as ₹ 60,00,000/- per annum (Rupees Sixty Lakhs) for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2023;

**RESOLVED FURTHER THAT**, any Director or Company Secretary of the Company be and is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including but not limited to filing of necessary forms/returns with the Ministry of Corporate Affairs, Stock Exchanges, or such other statutory authorities and to comply with compliance requirements in this regard."

**Registered Office:**

B.B.C. Colony, Khursipar, G.E. Road,  
Bhilai, Chhattisgarh - 490011  
CIN: L51102CT1995PLC009772  
Email: [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com), [cfo@sarthakmetals.com](mailto:cfo@sarthakmetals.com)  
website: [www.sarthakmetals.com](http://www.sarthakmetals.com)

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

By Order of the Board of Directors  
**Sarthak Metals Limited**

**Pratik Jain**

Sd/-

Company Secretary  
Membership No. ACS 61747

## 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 members 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 attendance slip cum Proxy Form is available at the end of this Annual Report.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under item No. 4 to 6 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
5. In terms of the provisions of Section 108 of the Companies Act, 2013, the business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-Voting are given in the notice under Note No. 26. The Company will also send communication relating to remote e-Voting which inter-alia would contain details about User ID and password along with a copy of this Notice to the members, separately. The Members (including proxies) attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Annual General Meeting.
6. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10:00 a.m. and 4:00 p.m. up to the date of the Annual General Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
8. 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 Thursday 10<sup>th</sup> August, 2023 to Monday, 21<sup>st</sup> August, 2023 (Both days Inclusive).
9. 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 along with the ID proof of the authorized representative.
10. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions Of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF.
 

Name : Sandeep V More

Address : Bigshare Services Private Ltd.  
Office No. S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre Mahakali Caves Road, Andheri East, Mumbai 400093, Maharashtra, India.

Tel : 022-62638200/222/223

Email : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
11. Members/Proxies/authorized representatives 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.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

- 13.** 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 (RTA) of the Company. Please find below the contact details of RTA:
- Bigshare Services Private Ltd.  
Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093, Maharashtra, India.  
Email ID: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
Contact No. 022-62638200/222/223.
- 14.** 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.
- 15.** The Company has appointed Bigshare Services Private Limited, Mumbai as its Registrar and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfer, DEMAT request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to Registrar directly quoting folio no., full name and name of Company as 'Sarthak Metals Limited' at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
- 16.** Any member desiring any clarification/explanation in respect of the information given in this Annual Report is requested to submit query to the Company at least 10 days in advance before the meeting so as to enable the management to keep information ready.
- 17.** The route map of the venue of the Annual General Meeting is annexed at the end of this Report. The prominent land mark near the venue is Bhilai Power House Bus Stand, Bhilai - 490011, Chhattisgarh, India.
- 18.** In compliance with the MCA Circulars and SEBI Circular dated 28<sup>th</sup> December, 2022 and 13<sup>th</sup> May, 2022 read with circular dated 15<sup>th</sup> January, 2021 and 12<sup>th</sup> May, 2020, the Annual Report of the Company for the Financial Year 2022-23, including the Notice convening the 28<sup>th</sup> Annual General Meeting, has been emailed to the members whose email addresses are available with the depositories for communication purposes or are obtained directly from the members, as per Section 136 of the Companies Act, 2013, and Rule 11 of the Companies (Accounts) Rules, 2014. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. For members who have not registered their email addresses the Company will endeavour to send the physical copies by permitted mode.
- 19.** The Annual Report of the Company will be available on the Company's website [www.sarthakmetals.com](http://www.sarthakmetals.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchanges of India limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. As per Section 136(1), the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com).
- 20.** Mr. Atul Jain, Practicing Chartered Accountants (Membership No. 447869), has been appointed as the scrutinizer to scrutinize the remote e-Voting process in a fair and transparent manner.
- 21.** Any person who becomes a member of the Company after sending the Notice and holding shares as on the cut-off date may obtain the login ID and password by sending a request at [investor@bigshareonline.com](mailto:investor@bigshareonline.com)
- 22.** The results declared along with the scrutinizer's report will be placed on the website of the Company i.e., [www.sarthakmetals.com](http://www.sarthakmetals.com) under investors section. The results shall also be communicated to the Stock Exchanges and will be made available on the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchanges of India limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
- 23.** The Shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

## DIVIDEND RELATED INFORMATION

- 24.** Members may note that the Board, at its meeting held on 26<sup>th</sup> May, 2023, has recommended a final dividend of ₹ 01/- (Rupee One Only) per equity share. The record date for the purpose of final dividend for the Financial Year ended 31<sup>st</sup> March, 2023 is Wednesday, 09<sup>th</sup> August, 2023. The final dividend, once approved by the members in the ensuing AGM, will be paid within 30 days from the declaration of the final dividend electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants/demand drafts/cheques will be sent to their registered addresses. We request you to submit/update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card, with the Registrar and Transfer Agent (RTA)

of the Company. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

- 25.** In accordance with the provisions of the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after 1<sup>st</sup> April, 2020, shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents in accordance with the provisions of the IT Act.

TDS rates that are applicable to members depend upon their residential status and classification as per the provisions of the Act. The Company will therefore deduct tax at source at the time of payment of dividend, at rates based on the category of shareholders and subject to fulfilment of conditions as provided herein below:

**For Resident Shareholders: -**

Tax will be deducted at source under Section 194 of the Act @ 10% on the amount of dividend payable, unless exempt under any of the provisions of the Act. However, in case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during the Financial Year does not exceed ₹ 5,000.

No TDS will be deducted in cases where a shareholder provides Form 15G (applicable to individual)/Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions as prescribed under the Act are met. Formats of Form 15G/Form 15H are available on the website of the Company and can be downloaded from the link <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24> Please note that all fields mentioned in the forms are mandatory and the Company will not be able to accept the forms submitted, if not filled correctly.

NIL/lower tax will be deducted on dividend payable to the following categories of resident shareholders, on submission of self-declaration. (Format of the Declaration form is available on the website of the Company and can be downloaded from the link <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>.)

- **Insurance companies:** Documentary evidence to prove that the Insurance Company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card.
- **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is eligible for exemption, along with self-attested copy of the registration documents and PAN Card.
- **Alternative Investment Fund (AIF) established in India:** Documentary evidence to prove that AIF is a fund eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self-attested registration documents and PAN card should also be provided.
- **National Pension System Trust & other Shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.
- Shareholders who have provided a valid certificate issued u/s 197 of the IT Act for lower/NIL rate of deduction or an exemption certificate issued by the income tax authorities.

Please also note that where tax is deductible under the provisions of the IT Act and the PAN of the shareholder is either not available or PAN available in records of the Company is invalid/inoperative, tax shall be deducted @ 20% as per section 206AA of the Act.

**For Non-Resident Shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors):**

- Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the IT Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- As per section 90 of the IT Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents:

- o Self-attested copy of PAN, if any, allotted by the Indian tax authorities. In case of non-availability of PAN, declaration (Format enclosed as **Annexure D** on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>) is to be submitted.
- o Self-attested copy of valid Tax Residency Certificate ('TRC') issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status.
- o Completed and duly signed self-declaration in Form 10F (Format enclosed as **Annexure E** on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>).
- o Self-declaration (Format enclosed as **Annexure F** on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>) certifying the following points:
  - Shareholder is and will continue to remain a tax resident of the country of its residence during FY 2022-23 (i.e. 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023);
  - Shareholder is the beneficial owner of the shares and is entitled to the dividend receivable from the Company.
  - Shareholder qualifies as 'person' as per DTAA and is eligible to claim benefits as per DTAA for the purposes of tax withholding on dividend declared by the Company.
  - Shareholder has no permanent establishment/ business connection/place of effective management in India. or Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
  - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner.
- o In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.
- o Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-Resident shareholder and meeting the requirements of the Act, read with the applicable DTAA. In absence of the same, the Company will not be able to apply the beneficial DTAA rates at the time of deducting tax on dividend.

- Where a shareholder furnishes lower/NIL withholding tax certificate under Section 197 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

### Section 206AB of the IT Act

Rate of TDS @ 10% u/s194 of the IT Act is subject to provisions of Section 206AB of the Act (effective from 1<sup>st</sup> July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as "Specified Persons"). Under section 206AB of the IT Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

"Specified person" as defined under section 206AB(3) is someone who satisfies the following conditions:

- A person who has not filed income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the IT Act has expired; and
- The aggregate of TDS and TCS in whose case is ₹ 50,000 or more in each of these two previous years.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a "specified person".

In cases where Sections 206AA and 206AB are applicable i.e., the shareholder has not submitted PAN as well as not filed the return, tax will be deducted at higher of the rates prescribed in these sections.

The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated 21<sup>st</sup> June, 2021 has clarified that new functionality will be issued for compliance check under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said functionality to determine the applicability of Section 206AB of the Act.

### To summaries, dividend will be paid after deducting tax at source as under:

1. NIL - for resident individual shareholders receiving Dividend from the Company up to ₹ 5,000 during Financial Year.
2. NIL - for resident individual shareholders in cases where duly filled up and signed Form 15G/Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
3. 10% - for other resident shareholders in case copy of valid PAN is provided/available.



4. 20% - for resident shareholders if copy of PAN is not provided/not available or resident shareholder is specified person under section 206AB as per compliance check utility of income tax department.
5. TDS rate will be determined on the basis of documents submitted by the non-resident shareholders.
6. 20% - (plus applicable surcharge and cess) for non-resident shareholders in case the relevant documents are not submitted.
7. Lower/NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above-mentioned rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules (Refer **Annexure C** on the website of the Company).

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you or due to defect in any of the aforementioned details/documents, option is available to you to file the return of income as per Act and claim an appropriate refund of the excess tax deducted, if eligible. No claim shall lie against the Company for such taxes deducted.

## UPDATION OF PAN, EMAIL ADDRESS AND OTHER DETAILS:

All the shareholders are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their depository participants, if the shareholding is in demat form or with the Company, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "the Depositories") in case of shares held in demat mode and from the Company record in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Disclaimer: This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

### For all Shareholders:

To enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to email the above

details and documents at the email ID "[cs@sarthakmetals.com](mailto:cs@sarthakmetals.com)", not later than 05.00 P.M. Monday, 7<sup>th</sup> August, 2023.

No communication on the tax determination/deduction shall be considered after Monday, 7<sup>th</sup> August, 2023.

## 26. INSTRUCTIONS FOR REMOTE E-VOTING ARE AS FOLLOWS:

### A. Voting Through Electronic Means:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by Bigshare Services Private Limited.

### The Instructions Of Shareholders For Remote E-Voting Are As Under:

- i. The voting period begins on 18<sup>th</sup> August, 2023 (9:00 a.m.) and ends on 20<sup>th</sup> August, 2023 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14<sup>th</sup> August, 2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through**

**their demat accounts/websites of Depositories/Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

1. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of <b>BIGSHARE</b> the e-Voting service provider and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>BIGSHARE</b>, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-voting period.</li> </ol> |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name <b>BIGSHARE</b> and you will be re-directed to <b>i-Vote</b> website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>  |

Login method for Individual shareholders holding securities in demat mode is given below: (Contd.)

| Type of shareholders  | Login Method  |
|---|---|
|   | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/either">https://www.evoting.nsdl.com/either</a> on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name <b>BIGSHARE</b> and you will be redirected to <b>i-Vote</b> website for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.   |

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

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

| Login type  | Helpdesk details  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30            |

#### 2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on "LOGIN" button under the 'INVESTOR LOGIN' section to Login on E-Voting Platform.
- Please enter you 'USER ID' (User id description is given below) and 'PASSWORD' which is shared separately on you register email id.
  - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
  - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.

- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

**Note** If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?'

- Enter "User ID" and "Registered email ID" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on 'Reset'.

(In case a shareholder is having valid email address, Password will be sent to his/her registered e-mail address).

#### Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "**VOTE NOW**" option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

### 3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.
- After Successful registration, message will be displayed with "**User id and password will be sent via email on your registered email id**".

**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password?**
- Enter "User ID" and "Registered email ID" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**'.  
(In case a custodian is having valid email address, Password will be sent to his/her registered e-mail address).

#### Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

#### Investor Mapping:

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.
    - Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
    - Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".
- Note:** The power of attorney (POA) or board resolution has to be named as the "InvestorID.pdf" (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

#### Investor vote File Upload:

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

#### Helpdesk for queries regarding e-voting:

| Login type   | Helpdesk details  |
|--|---|
| Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 1800 22 54 22. |

**B. The Instructions For Members For Voting On The Day Of The AGM Are As Under:**

1. A member may participate in the AGM after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
2. Members can opt for only one mode of voting, i.e., either by remote e-Voting or voting at the Meeting. In case Members cast their vote through both the modes, voting done by remote e-Voting shall prevail and votes cast at the Meeting shall be treated as invalid.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through ballot paper.
4. The Board of Directors has appointed Mr. Atul Jain, Practicing Chartered Accountants (Membership No. 447869), as the Scrutinizer to scrutinize the remote e-Voting process as well as voting at the Annual General Meeting in a fair and transparent manner.
5. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
6. The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any. The results declared along with the Scrutinizer's report, will be posted on the website of the Company [www.sarthakmetals.com](http://www.sarthakmetals.com) immediately after the declaration of the result by the Chairman or any person authorised by him and communicated to the Stock Exchange.
7. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com). The same will be replied by the Company suitably.

**Registered Office:**

B.B.C. Colony, Khursipar, G.E. Road,  
Bhilai, Chhattisgarh - 490011  
CIN: L51102CT1995PLC009772  
Email: [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com), [cfo@sarthakmetals.com](mailto:cfo@sarthakmetals.com)  
website: [www.sarthakmetals.com](http://www.sarthakmetals.com)

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G)

By Order of the Board of Directors  
**Sarthak Metals Limited**

**Pratik Jain**

Sd/-

Company Secretary  
Membership No. ACS 61747

## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item No. 4 to 6 of the accompanying Notice.

### Item No. 4

The Securities and Exchange Board of India ("SEBI"), vide its notification dated 9<sup>th</sup> November, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e., 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of ₹ 1,000 Crores (Rupees One thousand Crores) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited Financial Statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from 1<sup>st</sup> April, 2022.

SML buys certain specialty noble ferro alloys from Bansal Brothers. These noble ferro alloys are niche of Bansal

Brothers for which they have more than 70% market share in Indian market. Thus, the prices at which Bansal Brothers can supply to SML is highly competitive due to scale advantage. Further, the lead time for procurement from Bansal Brothers is very less and reduces the working capital requirement of SML for such alloys. Furthermore, Bansal Brothers offer great credit terms to SML due to related party trust. That being said SML always researches the price of said ferro alloys in international markets before placing an order with Bansal Brothers. It can be said that Sarthak Metals has almost a 70% market share in Products manufactured using products of Bansal Brothers due to this symbiotic relationship.

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval and to facilitate seamless contracting and rendering/availing of product and services between the Company and M/s Bansal Brothers, the Company seeks the approval of the shareholders to approve entering into contracts/arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/arrangements and the transactions with M/s Bansal Brothers are reviewed and approved by the Audit Committee. Further, the transactions that require testing of arm's length pricing are tested by the management of the Company by the personnel's engaged in the purchase or sales of products, raw material etc. and also of rendering or taking the services.

Value of Transaction with M/s Bansal Brothers during last three Financial Year is as follows:

(Amounts in ₹)

| Particular of Transactions                   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2023 | Total                 |
|--|------------------------------|------------------------------|------------------------------|-----------------------|
| Purchase Raw Material                        | 8,97,42,968                  | 26,00,91,326                 | 25,88,20,250                 | 60,86,54,544          |
| Sales of Ferro Alloys                        | 12,60,97,418                 | 30,00,89,284                 | 14,26,74,562                 | 56,88,61,264          |
| Repair & Maintenance Machine                 | -                            | 1,13,981                     | 74,465                       | 1,88,446              |
| Factory Shed & Building                      | 2,54,279                     | 2,11,446                     | 3,87,742                     | 8,53,467              |
| Consumable Packing Goods                     | 1,93,956                     | 6,89,792                     | 2,78,270                     | 11,62,018             |
| Plant & Machinery                            | 12,465                       | 24,638                       | -                            | 37,103                |
| Repair & Maintenance factory Shed & Building | 60,014                       | 61,436                       | 93,044                       | 2,14,494              |
| Consumable Goods                             | -                            | -                            | 714                          | 714                   |
| Purchase Raw Material                        | -                            | -                            | 2,12,611                     | 2,12,611              |
| Sales  | -                            | -                            | 1,52,06,781                  | 1,52,06,781           |
| Sale of Fixed Assets and Consumables         | -                            | 3,30,36,000                  | -                            | 3,30,36,000           |
| <b>Total</b>                                 | <b>21,63,61,100</b>          | <b>59,43,17,903</b>          | <b>41,77,48,439</b>          | <b>1,22,84,27,442</b> |

| S. No. | Description   | Particulars  |
|--------|---|--|
| 1.     | Name of the related party   | M/s Bansal Brothers  |
| 2.     | Nature of relationship<br>[including nature of its interest<br>(financial or otherwise)]  | Mr. Anoop Kumar Bansal, Managing Director and Mr. Anirudh Singhal, CFO are partners in M/s Bansal Brothers.<br>As per accounting terms it is an Enterprise over which significant influence exists.  |
| 3.     | Type of the proposed transaction  | i. Repair & Maintenance of Machine<br>ii. Purchase or sale of Consumable Packing Goods<br>iii. Purchase or sale of Wire Feeder Machine<br>iv. Repairs & Maintenance Shed & Building<br>v. Purchase or sale of Cored Wires<br>vi. Sale or purchase of Empty Drums<br>vii. Sale or purchase of Waste and Scrap<br>viii. Purchase or Sale of Raw Material<br>ix. Purchase or sale of Consumable Stores<br>x. transfer of any resources, services or obligations to meet its business objectives requirements  |
| 4.     | Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement   | Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.  |
| 5.     | Particulars of the proposed transaction   | Same as point no. 3  |
| 6.     | Tenure of the transaction   | Contracts/arrangements with a duration up to 5 years   |
| 7.     | Value of the proposed transactions  | ₹ 100 Crores per year  |
| 8.     | Percentage of Sarthak's annual turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction | 24.48%   |
| 9.     | Benefits of the proposed transaction  | SML buys certain specialty noble ferro alloys from Bansal Brothers. These noble ferro alloys are niche of Bansal Brothers for which they have more than 70% market share in Indian market. Thus, the prices at which Bansal Brothers can supply to SML is highly competitive due to scale advantage. Further, the lead time for procurement from Bansal Brothers is very less and reduces the working capital requirement of SML for such alloys. Furthermore, Bansal Brothers offer great credit terms to SML due to related party trust. That being said SML always researches the price of said ferro alloys in international markets before placing an order with Bansal Brothers. It can be said that Sarthak Metals has almost a 70% market share in Products manufactured using products of Bansal Brothers due to this symbiotic relationship. |
| 10.    | Details of the valuation report or external party report (if any) enclosed with the Notice  | All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally  |
| 11.    | Name of the Director or Key Managerial Personnel, who is related  | Mr. Anoop Kumar Bansal, Mr. Anirudh Singhal, Mr. Sunil Kumar Agarwal   |
| 12.    | Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given                          | NA   |
| A.     | Source of funds   | NA   |

| S. No. | Description   | Particulars |
|--------|---|-------------|
| B.     | In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:<br>• Nature of indebtedness<br>• cost of funds and<br>• tenure of the indebtedness               | NA          |
| C.     | Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security) | NA          |

Except, Mr. Manoj Kumar Bansal, Ms. Simmi Bansal, Mr. Anoop Kumar Bansal, Mr. Kishore Kumar Bansal, Ms. Sanju Bansal, Ms. Kirti Bansal, Mr. Anirudh Singhal, Mr. Anurag Singhal, Mr. Anil Singhal, Mr. Gaurav Agrawal, Mr. Sarthak Bansal, Mr. Samarth Bansal, Manoj Kumar Bansal HUF, Anoop Kumar Bansal HUF and Mr. Sunil Kumar Agrawal, none of the Directors, Key Managerial Personnel and their relatives are interested financial or otherwise in the proposed resolution.

#### Item No. 5

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 as per recommendation of Nomination and Remuneration Committee approved and recommended to Board the remuneration of Mr. Anoop Kumar Bansal for further period of 3 years w.e.f. 1<sup>st</sup> April, 2023 in its Board Meeting dated 26<sup>th</sup> May, 2023, on terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the fixation of remuneration of Mr. Anoop Kumar Bansal as decided by the Board is required to be approved by the Members at their meeting.

The Directors of your Company recommends this resolution for your approval as a Special Resolution.

Except, Mr. Anoop Kumar Bansal, Mr. Kishore Kumar Bansal, Mr. Manoj Kumar Bansal, Ms. Sanju Bansal, Ms. Kirti Bansal and Ms. Simmi Bansal, Mr. Samarth Bansal, none of the Directors, Key Managerial Personnel and their relatives are interested financial or otherwise in the proposed resolution.

### 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<br>31.03.2023 | Previous Year as on<br>31.03.2022 |
|---|----------------------------------|-----------------------------------|
| Total Income                              | 40,842.59                        | 45,729.80                         |
| <b>Less:</b> Expenditure & Depreciation   | 37,121.63                        | 42,507.66                         |
| <b>Add:</b> Exceptional items             | (78.88)                          | 266.61                            |
| Profit before Tax (PBT)                   | 4,022.55                         | 3,584.66                          |
| <b>Less:</b> Tax (including deferred tax) | 1,046.21                         | 836.55                            |
| Profit After Tax (PAT)                    | 2,979.38                         | 2,742.04                          |

- Foreign Investments or collaboration if any: NA



**II. Other Information:**

- a. Reasons for loss or inadequate profit: In the Financial Year ended 31<sup>st</sup> March, 2023, the Company made Profit after Tax
- b. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
- c. Steps taken or proposed to be taken for improvement- NA
- d. Expected increase in productivity and profits in measurable terms- NA

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

|   |  |
|---|--|
| Background details  | Anoop Kumar Bansal is the 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 26 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 its inception and is appointed as the Managing Director of our Company since 21 <sup>st</sup> August, 2016. He is reappointed on 22 <sup>nd</sup> August, 2019 for a period of 5 years. |
| Past remuneration   | ₹ 36,00,000/- paid as remuneration during the year ended on 31 <sup>st</sup> March, 2023.  |
| Job profile and his suitability   | 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 approves the remuneration of Mr. Anoop Kumar Bansal for further period of 3 years w.e.f. 1 <sup>st</sup> April, 2023.   |
| Remuneration proposed   | As per Annexure - A (Below)  |
| 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) | 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 remuneration is in line with the industry levels and that of comparatively placed Companies in India.  |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.  | Mr. Anoop Kumar Bansal is the Managing Director and one of the Promoters of our Company. He holds 11,45,250 shares in the Company.   |
| Age   | 55   |
| Relationship with other directors   | NA   |
| Number of Board Meeting attended  | 7/7  |
| Directorship and membership/ chairmanship in committees   | NA   |

# Annexure A

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

### III. Remuneration: ₹ 5,00,000 per month

- Basic Salary: ₹ 5,00,000/- 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 ₹ 5,00,000/- (Rupees Five Lakhs only).

## DETAILS AS REQUIRED UNDER SCHEDULE V

### IV. General Information:

- Nature of Industry: Ancillary Unit of Iron & Steel Plants
- Date or expected date of commencement of commercial production: NA (Company is an existing Company).
- Financial Performance based on given indicators:

(₹ In Lakhs)

| Particulars                               | Current Year as on<br>31.03.2023 | Previous Year as on<br>31.03.2022 |
|---|----------------------------------|-----------------------------------|
| Total Income                              | 40,842.59                        | 45,729.80                         |
| <b>Less:</b> Expenditure & Depreciation   | 37,121.63                        | 42,507.66                         |
| <b>Add:</b> Exceptional items             | (78.88)                          | 266.61                            |
| Profit before Tax (PBT)                   | 4,022.55                         | 3,584.66                          |
| <b>Less:</b> Tax (including deferred tax) | 1,046.21                         | 836.55                            |
| Profit After Tax (PAT)                    | 2,979.38                         | 2,742.04                          |

- Foreign Investments or collaboration if any: NA

### V. Other Information:

- Reasons for loss or inadequate profit: In the Financial Year ended 31<sup>st</sup> March, 2023, the Company made Profit after Tax. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.

### Item No. 6

Mr. Sanjay Chamanlal Shah renders services as Whole-Time Director of the Company. Considering his knowledge of marketing and investors relations 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. Accordingly, the Board as per recommendation of Nomination and Remuneration Committee approved and recommended the remuneration of Mr. Sanjay Shah for further period of 3 years w.e.f. 1<sup>st</sup> April, 2023 in its Board Meeting dated 26<sup>th</sup> May, 2023, on terms and conditions enumerated in the resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the fixation of remuneration of Mr. Sanjay Shah as decided by the Board is required to be approved by the Members at their meeting.

The Directors of your Company recommends this resolution for your approval as a Special Resolution.

Except Mr. Sanjay Chmanlal Shah, Ms. Shalini Shah, Mr. Sagar Shah, Mr. Siddharth Shah, Ms. Suman Siddharth Shah and Ms. Champaben Shah, none of the Directors, Key Managerial Personnel and their relatives are interested financial or otherwise in the proposed resolution.

(b) Steps taken or proposed to be taken for improvement- NA

(c) Expected increase in productivity and profits in measurable terms- NA

The profile of Mr. Sanjay Shah is as follows:

|   |  |
|---|--|
| Background details  | Mr. Sanjay Shah is the Whole-Time Director and one of the Promoters of our Company. He has more than 37 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 2 <sup>nd</sup> January, 2003 and is approved as the Whole-Time Director of our Company since 24 <sup>th</sup> August, 2016. He is reappointed on 26 <sup>th</sup> August, 2019 for a period of 5 years.  |
| Past remuneration   | ₹ 36,00,000 paid as remuneration during the year ended on 31 <sup>st</sup> March, 2023   |
| Job profile and his suitability   | Mr. Sanjay Shah renders services as Whole-Time Director of the Company. Considering his knowledge of marketing and investors relations 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.  |
| Remuneration proposed   | As per <b>Annexure - B</b> (Below)   |
| 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) | 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 remuneration is in line with the industry levels and that of comparatively placed Companies in India. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.  | Mr. Sanjay Shah is the Whole-Time Director and one of the Promoters of our Company. He holds 5,85,950 shares in the Company and does not have any other pecuniary relationship.  |
| Age   | 60   |
| Relationship with other directors   | NA   |
| Number of Board Meeting attended  | 5/7  |
| Directorship and membership/ chairmanship in committees   | NA   |

## Annexure B

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

**i) Remuneration:** ₹ 5,00,000/- per month

- (a) Basic Salary: ₹ 5,00,000/- 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 ₹ 5,00,000/- (Rupees Five Lakhs only).

**Registered Office:**

B.B.C. Colony, Khursipar, G.E. Road,  
Bhilai, Chhattisgarh - 490011  
CIN: L51102CT1995PLC009772  
Email: [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com), [cfo@sarthakmetals.com](mailto:cfo@sarthakmetals.com)  
website: [www.sarthakmetals.com](http://www.sarthakmetals.com)

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

By Order of the Board of Directors  
**Sarthak Metals Limited**

**Pratik Jain**

Sd/-

Company Secretary  
Membership No. ACS 61747

# Annexure to Notice

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

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India. The brief resume of the director is as follows:

|   |   |
|---|---|
| Name of Director  | Mr. Sanjay Chamanlal Shah   |
| Director Identification Number (DIN)  | 00350967  |
| Date of Birth   | 6 <sup>th</sup> February, 1962  |
| Age   | 61 Years  |
| Qualification   | Higher Secondary  |
| Experience  | More than 37 years  |
| Terms and Condition of Appointment  | As per annexure below   |
| Remuneration last Drawn (Including Bonus)   | ₹ 39,00,000   |
| Nature of Expertise in specific functional areas  | He has more than 37 years of experience in the industry. He is heading the Marketing department of the Company. |
| Date of first appointment   | 2 <sup>nd</sup> January, 2003   |
| Number of shares held in the Company  | 5,85,950 shares   |
| Inter-se relationship with other Directors and Key Managerial Personnel   | There is no inter-se relationship with any Key Managerial Personnel of the Company.                             |
| No. of Board Meetings Attended during the year  | 5   |
| Directorships held in other companies   | NIL   |
| Membership/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship) | NIL   |
| Proposed Remuneration   | ₹ 60,00,000   |

### Terms and Condition of Appointment of Mr. Sanjay Chamanlal Shah

Mr. Sanjay Shah renders services as Whole-Time Director of the Company. Considering his knowledge of marketing and investors relations 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.

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

i) Remuneration: ₹ 500,000/- per month

- a. Basic Salary: ₹ 500,000/- 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 ₹ 5,00,000/- (Rupees Five Lakhs only).

# Directors' Report

Dear members,

Your Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "Sarthak") along with the audited Financial Statements, for the financial year ended 31<sup>st</sup> March, 2023.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS:

(₹ In Lakhs)

| Particulars   | For the year ended 31 <sup>st</sup> March |            | YoY Growth (%) |
|---|---|------------|----------------|
|   | 2023                                      | 2022       |                |
| Revenue from operations   | 40842.59                                  | 45729.80   | (10.70)        |
| Other income, net   | 380.47                                    | 95.90      | 296.74         |
| Total income  | 41223.06                                  | 45825.71   | (10.04)        |
| Expenses  | (37121.63)                                | (42507.66) | (12.67)        |
| Exceptional Items   | (78.88)                                   | 266.61     | (129.59)       |
| Profit Before Tax   | 4022.55                                   | 3584.66    | 12.22          |
| <b>Less:</b> Tax (Including deferred tax and current tax relating to earlier years) | 1046.21                                   | 836.55     | 25.06          |
| Total Other Comprehensive Income (Net of Tax)                                       | 2979.38                                   | 2742.04    | 8.66           |
| Profit After Tax  | 2979.38                                   | 2742.04    | 8.66           |
| Earnings Per Share of ₹ 10 each   | 21.74                                     | 20.07      | 8.32           |
| Basic:  |   |            |                |
| Diluted:  | 21.74                                     | 20.07      |                |

### Points to be noted:

The Company reported healthy financial performance in FY23 despite facing significant challenges in the external environment vis-a-vis steel industry, throughout the year. Post the announcement of Export Duty on the steel industry in May 2023, the industry had a noticeable impact on its performance, as the industry took time to adapt to the new dynamics, drop in price realizations, etcetera. This, in turn, affected the ancillary suppliers such as the Company. Thus, our Revenue from Operations for the year stood at ₹ 408.43 Crores, as compared to ₹ 457.30 Crores in FY22, a decrease of 11% YoY

In response to these challenges, our focus during the year was to maximize the value-added products wherever possible, aiming to mitigate the impact of lower volumes and lower average realization, thus we have been able to clock higher margins and higher profits despite our lower sales. EBITDA Margins stood at 9.8% in FY23, compared to 8.3% in FY22. Subsequently, Net Profit stood at ₹ 29.8 Crores in FY23, compared to ₹ 27.48 Crores in FY22 an increase of 8% YoY.

Further, Q4 also witnessed slower off-take due to some clients undergoing maintenance shutdowns at their plants, resulting in lower volumes. Despite these temporary setbacks, we remain optimistic about the future and are confident of getting back on our growth path. Our clients, who are among the largest steel players in India, continue to expand their capacities thus promising a good outlook for metallurgical solution providers & industry. Furthermore, in order to accelerate our growth trajectory, we have decided to enter an adjacent product category - Flux Cored Wires, which find applications in welding for commercial fabrication units. This category aligns perfectly with our technical expertise, and we are confident in our technological capabilities and product prowess to establish a footing in this industry. To initiate this venture, we will set up a pilot manufacturing line within our existing facility. We will scale up the facility based on the customer response and offtake.

Despite the challenges faced in FY23, we remain optimistic about the prospects of the Company. Our strategic focus on value added products, exploration of export markets, and expansion into adjacent product categories will position us well for growth and enable us to capitalize on emerging opportunities.

**2. AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:**

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

**3. DIVIDEND:**

Considering the constant growth in earnings and profits of the Company your directors have in the Financial Year declared an Interim Dividend and the recommended the final dividend for the year under review. The Board of Directors of your Company is pleased to recommend a final dividend of ₹ 1 per equity share of the face value of ₹ 10 each (@10%).

The Company recommended/declared dividend as under:

|                       | Fiscal 2023               |                               |               | Fiscal 2022               |                               |               |
|-----------------------|---------------------------|-------------------------------|---------------|---------------------------|-------------------------------|---------------|
|                       | Dividend per share (In ₹) | Dividend pay-out (In ₹ Lakhs) | % of Dividend | Dividend per share (In ₹) | Dividend pay-out (In ₹ Lakhs) | % of Dividend |
| Interim dividend      | 1.00                      | 136.90                        | 10            | 1.00                      | 136.90                        | 10            |
| Final dividend        | 1.00                      | 136.90 <sup>(1)</sup>         | 10            | 1.00                      | 136.90                        | 10            |
| <b>Total dividend</b> | <b>2.00</b>               | <b>273.80</b>                 | <b>20</b>     | <b>2.00</b>               | <b>273.80</b>                 | <b>20</b>     |

**Note:**

- The Company declares and pays dividend in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.
- <sup>(1)</sup> Recommended by the Board of Directors, at its meeting held on 26<sup>th</sup> May, 2023. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on 21<sup>st</sup> August, 2023. The record date for the purposes of the final dividend will be 9<sup>th</sup> August, 2023 and will be paid on or before 20<sup>th</sup> September, 2023.

**4. CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there was no change in the nature of business carried on by the Company.

**5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT:**

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the Financial Statements relate and the date of this report.

**6. CAPITAL STRUCTURE:**

The Paid-up Equity share capital of the Company as on 1<sup>st</sup> April, 2022 was ₹ 13,68,97,500/- divided into 1,36,89,750 Equity Shares of ₹ 10/- each. No change was made during the year. The equity share capital thus, as on 31<sup>st</sup> March 2023 was ₹ 13,68,97,500/-.

During the F.Y. 2022-23 your Company has neither issued shares with differential voting rights as to dividends, voting or otherwise nor issued shares (including sweat equity shares) to the employees or directors of the Company under any scheme such as bonus, right issue, private placement, preferential allotment or by any other mode as per Companies Act, 2013.

**7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:****7.1. Reappointment:****7.1.1. Director liable to retire by rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sanjay Chamanlal Shah (DIN: 00350967), Whole-Time Director of your Company retires by rotation in the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

**8. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6), Code for independent directors of the Companies Act, 2013 and of the Listing Regulations.

The independent directors, had, in addition to the provisions of Regulation 16(1)(b) of the Listing Regulations, also confirmed that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence and that he/she is independent of the management.

## 9. STATEMENT ON COMPLIANCE OF CODE OF CONDUCT:

In compliance with the Listing Regulations and the Companies Act, 2013, the Company has adopted the Code of Conduct for the members of the Board and Senior Executives of the Company. The Code is also applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website (<http://www.sarthakmetals.com/investors-code-of-conduct.aspx?mpgid=24>). The Code has been circulated to Directors and Senior Executives and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and senior executives in respect of Financial Year 2022-23."

**Mr. Mayur Bhatt**

Whole-Time Director and CEO

## 10. BOARD AND THE COMMITTEE MEETINGS:

The Board of Directors met 7 (seven) times during the financial year 2022-23. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

As on 31<sup>st</sup> March, 2023, the Board had four committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee and the stakeholder's relationship committee. All committee comprise only independent directors, one of whom is chosen as the chairperson of the committee.

During the year, all recommendations made by the committees were approved by the Board.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report in **Annexure - A**

## 11. 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 annexed to this report as '**Annexure-B**' and full policy can be accessed from website of the Company (<http://www.sarthakmetals.com/docs/Nomination-and-Remuneration-Policy.pdf>).

## 12. BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the Directors after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5<sup>th</sup> January, 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

## 13. FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS:

The Board of your Company acknowledges that given the roles and responsibility of the Independent Directors and



Non-Executive Director of the Company they are from time to time made aware of the Company's business conduct, the strategy, operations and functions of the Company and also from time to time the Independent Directors along with the Non-Executive Director visit the manufacturing facilities of the Company situated at Hathkhaj, Durg, India, to understand the processes of manufacturing of Cored Wires, this enables them to take part in the Board and Committee meeting effectively and efficiently as and when a product related discussion comes before the Board and Committee meetings.

At various Board meetings during the year, the Board members are provided with information/presentations and are given the opportunity to interact with the Senior Management of your Company to help them to understand the Company's strategy/policies, business model, operations, products, markets, organization structure, finance, human resources, technology, quality, facilities and risk management, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and such other matters as may arise from time to time.

The policy on familiarization programmes for Independent Directors is posted on the website of the Company and can be accessed at (<http://www.sarthakmetals.com/docs/Familiarization%20of%20Independent%20Directors.pdf>).

#### **14. DIRECTORS' RESPONSIBILITY STATEMENT:**

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had 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 had 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 had prepared the annual accounts on a going concern basis;
- e. the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **15. INTERNAL FINANCIAL CONTROLS 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 transaction 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.

#### **16. FRAUDS REPORTED BY THE AUDITOR:**

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

#### **17. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

The Company does not have any Subsidiary Company or Joint Venture Company or Associate Company and hence this clause of Directors Report is not applicable.

#### **18. DEPOSITS:**

During the year under review, 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.

#### **19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

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.

The Company in the year under review sold the investment held in the form of Equity Shares of the Sarthak Energy Private Limited for a total consideration of ₹ 1,00,37,500 (Rupees One Crores Thirty-Seven Thousand and Five Hundred Rupees only). It is to be noted that M/s Sarthak Energy Private Limited was neither subsidiary nor Associate of the Company.

## 20. ANALYSIS OF REMUNERATION:

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 Designation</b>                     | <b>[A] Ratio of Directors' Remuneration to the median Remuneration of Employees</b> | <b>[B] Percentage (%) increase/decrease in Remuneration</b> |
|--|---|---|
| Ms. Rama Kohli<br>(Independent Director)         | NIL   | Not Applicable  |
| Mr. D. V. Giri<br>(Independent Director)         | NIL   | Not Applicable  |
| Mr. Sunil Dutt Bhatt<br>(Independent Director)   | NIL   | Not Applicable  |
| Mr. Anoop Kumar Bansal<br>(Managing Director)    | 20.68 Times   | No Change   |
| Mr. Mayur Bhatt<br>(Whole Time Director & CEO)   | 6.89 Times  | No Change   |
| Mr. Sunil Kumar Agarwal<br>(Director)            | NIL   | No Change   |
| Mr. Sanjay Shah<br>(Whole Time Director)         | 20.68 Times   | No Change   |
| Mr. Anirudh Singhal<br>(Chief Financial Officer) | 8.96 Times  | No Change   |
| Mr. Pratik Jain<br>(Company Secretary)           | 2.67 Times  | 20%   |

The median remuneration of employees of the Company during the financial year was ₹ 1,88,605 p.a. Please note that only those persons who were employees as on 31<sup>st</sup> March, 2023 have been considered for the calculation of the median salary.

|   |  |
|---|--|
| <b>[C] Percentage increase in the median Remuneration of Employees</b>  | Increase of 34.44%   |
| <b>[D] Number of permanent Employees on the rolls of Company</b>  | 138 as on 31 <sup>st</sup> March 2023  |
| <b>[E] Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof</b> | Median Salary of non-managerial staff has increased by 34.44%. The average salary of managerial staff has increase by 28.19% |
| <b>[F] Affirmation that the remuneration is as per the remuneration policy of the Company</b>   | The Company affirms that the remuneration is as per the remuneration policy of the Company                                   |

During the year, none of the employees received remuneration in excess of ₹ One Crores Two Lakhs or more per annum, or ₹ Eight Lakhs per month for the part of the year, in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Therefore, there is no information to disclose in terms of the provisions of the Companies Act, 2013.

## 21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business to further the business interests of the Company. Prior approval is obtained for related party

transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act. Also, there were no material related party contracts entered into by the Company as per the Companies Act, 2013 and rules made thereunder. The disclosure as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as **Annexure - C**. Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the Standalone Financial Statements forming part of this Report.

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website - (<http://www.sarthakmetals.com/docs/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf>).

## 22. CORPORATE GOVERNANCE REPORT:

Pursuant to Schedule - V of Listing Regulations, Corporate Governance Report along with the Auditors' certificate regarding compliance of conditions of Corporate Governance is made part of this report as **Annexure - A**

## 23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by Regulation 34 read with Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Management Discussion & Analysis Report is at the page no. 24 of this report and forms part of the Annual Report.

## 24. CORPORATE SOCIAL RESPONSIBILITY (CSR):

At Sarthak Metals, we acknowledge our sincere duty towards the community and the environment, from which any organisation including Sarthak Metals takes a lot. Your Company had always taken the responsibility to pay back to the society. In this direction, the Company's CSR Committee steers us and as per the Annual Action Plan, the said committee had approved the areas of Health, Education and Environmental Sustainability. CSR has been

an integral part of the way the Bansal Group conducts its business since its inception.

We focus on our social and environmental responsibilities to fulfil the needs and expectations of the communities around us. Our CSR is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. Our CSR Policy aims to provide a dedicated approach to community development in the areas of education, healthcare and environmental sustainability. We contribute to serve the development of people by shaping their future with meaningful opportunities, thereby accelerating the sustainable development of society while preserving the environment, and making our planet a better place today and for future generations.

The Corporate Social Responsibility (CSR) Policy of the Sarthak Metals is aligned with its overall commitment to maintaining the highest standards of business performance. We recognize that our business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

Members are requested to refer the Corporate Governance Report forming part of this annual report for the composition of the CSR Committee. The CSR policy of the Company is available on the website of the Company at (<http://www.sarthakmetals.com/docs/Corporate-Social-Responsibility-Policy.pdf>).

The annual report on the CSR activities is annexed as **Annexure - D** to this report.

## 25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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. However, keeping in view the alternative sources of energy available to the Company and for achieving the sustainability goals of the Company, the Board of Directors of your Company at their Board Meeting held on 11<sup>th</sup> November, 2022 approved the installation of roof-top solar power plant. Further, the Company's technology is indigenously developed and being constantly upgraded.

### B. Foreign exchange earnings and Outgo:

| Particulars                        | As on 31.03.2023 (In ₹) | As on 31.03.2022 (In ₹) |
|------------------------------------|-------------------------|-------------------------|
| Foreign Exchange Earnings (Export) | 67,59,28,492            | 59,12,64,330            |
| Foreign Exchange Outgo (Import)    | 73,06,32,609            | 1,02,17,35,527          |

## 26. RISK MANAGEMENT:

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.

## 27. DETAILS OF ESTABLISHMENT OF WHISTLE BLOWER POLICY FOR VIGIL MECHANISM:

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 Stakeholders, Individual Employees and their representative bodies, to report to the audit committee about the illegal or unethical practices or frauds, or violation of the Company's Code of Conduct.

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 also 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 appropriate and exceptional cases.

The full policy on whistle blower is available at (<http://www.sarthakmetals.com/docs/SML-Whistle-Blower-Policy.pdf>).

## 28. MATERIAL ORDERS OF JUDICIAL BODIES/REGULATORS:

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

## 29. AUDITORS:

### 29.1. Statutory Auditor's:

At the twenty-seventh AGM held on 5<sup>th</sup> September, 2022, the Members approved the re-appointment of Begani and Begani, Chartered Accountants (Firm Registration

010779C) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the thirty-second AGM to be held in the year 2027.

### 29.2. Secretarial Auditor's:

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 Financial Year ended 31<sup>st</sup> March, 2023.

### 29.3. Cost Auditor's:

Pursuant to the provisions of Section 148 of Companies Act, 2013 and the rules made thereunder, the Company has appointed Mr. Gajadhar Prasad, Cost Accountants (Membership No. 39559) to undertake the Cost Audit of the Company for the Financial Year ended 31<sup>st</sup> March, 2023.

## 30. SECRETARIAL AUDIT REPORT:

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2022 is annexed to this report as **Annexure - E** and forms an integral part of this report

## 31. EXPLANATIONS IN RESPONSE TO AUDITOR'S QUALIFICATIONS:

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

## 32. DISCLOSURE REQUIREMENTS:

**32.1.** As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis form part of the Director's Report.

**32.2.** The Company properly complies with the provision of all applicable Secretarial Standards on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by the Institute of Company Secretaries of India

## 33. DIVIDENDS LYING IN THE UNPAID DIVIDEND ACCOUNT:

The Company in compliance with Section 124 of Companies Act, 2013 has transferred to the Unpaid Dividend Account the following amounts to the Unpaid Dividend Accounts:

| S. No. | Type of Dividend and Year | Amount (In ₹) | Year in which it will get transferred to IEPF |
|--------|---------------------------|---------------|---|
| 1.     | Final Dividend 2016-17    | 6,000         | 2024  |
| 2.     | Final Dividend 2018-19    | 26,000        | 2026  |
| 3.     | Final Dividend 2019-20    | 32,450        | 2027  |
| 4.     | Final Dividend 2020-21    | 76,600        | 2028  |

**33. DIVIDENDS LYING IN THE UNPAID DIVIDEND ACCOUNT:** (Contd.)

The Company in compliance with Section 124 of Companies Act, 2013 has transferred to the Unpaid Dividend Account the following amounts to the Unpaid Dividend Accounts:

| S. No. | Type of Dividend and Year | Amount<br>(In ₹) | Year in which it will get transferred to IEPF |
|--------|---------------------------|------------------|---|
| 5.     | Interim Dividend 2021-22  | 3,683            | 2029  |
| 6.     | Final Dividend 2021-22    | 7,775            | 2029  |
| 7.     | Interim Dividend 2022-23  | 19,826           | 2030  |

More details are available at the website of the Company at  
(<http://www.sarthakmetals.com/investors-unpaid-dividend.aspx?mpgid=24>)

**34. ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual return as on 31<sup>st</sup> March, 2023 is available on the Company's website on <http://www.sarthakmetals.com/investors-annual-returns.aspx?mpgid=24>

**35. A STATEMENT AS TO WHETHER COST RECORDS IS REQUIRED TO BE MAINTAINED BY THE COMPANY PURSUANT TO AN ORDER OF THE CENTRAL GOVERNMENT AND ACCORDINGLY SUCH RECORDS AND ACCOUNTS ARE MAINTAINED:**

The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and such accounts and records are made and maintained.

**36. APPLICATIONS MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

The Company has not made any application nor any proceeding under the Insolvency and Bankruptcy Code, 2016 is pending, hence this disclosure is not applicable to the Company.

**37. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the year under review, the Company has not entered into one-time settlement with any Banks or Financial Institutions, hence this disclosure is not applicable to the Company.

**38. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

At Sarthak, our goal has been to create an open and safe workplace where each and every employee feels empowered to contribute to the best of their abilities, irrespective of gender, sexual preferences or any other classification that has no bearing on the employee's work output. Towards this, the Company has already set up the Internal Complaints Committee to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee is chaired by Ms. Pratibha Prasad, Manager, Human Resource, **Sarthak Metals Limited**. No complaint was received during the year.

**39. ACKNOWLEDGEMENTS:**

The Directors thank the Company's shareholders for their trust reposed on the Board of Directors, the Directors also thank employees, customers, vendors and all the stakeholders for their continuous support. The Directors also thank the Government of India, Governments of various states in India and concerned Government departments and agencies for their co-operation.

Sd/-

**Mayur Bhatt**Whole-Time Director & Chief Executive Officer  
DIN: 07586457Date: 6<sup>th</sup> July, 2023

Place: Bhilai (C.G.)

Sd/-

**Anoop Kumar Bansal**Managing Director  
DIN: 01661844

# Annexure A

## CORPORATE GOVERNANCE REPORT

### 1. A BRIEF STATEMENT ON SARTHAK METALS LIMITED PHILOSOPHY ON CODE OF GOVERNANCE:

We, at Sarthak Metals believes that the Corporate Governance is the strongest pillar on which the whole corporate structure stands, we at Board acknowledge that our Shareholders have reposed an enormous trust on the Board of the Company, the Board considers in all of its decision making the principles of the Corporate Governance like accountability, transparency, fairness and responsibility as their duty towards the trust that shareholder have reposed on the Board. The Company's core values include transparency, employee engagement, ethics, and stakeholder satisfaction, which guide its Corporate Governance practices.

The laws relating to the Corporate Governance enshrined either in the Companies Act, 2013 or in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are complied with in its letter and spirit. The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. In this regard your kind attention is being drawn that your Company makes disclosures from time to time in compliance with the Listing Regulations on the website of the Stock Exchanges in the below mentioned links:

BSE at <https://www.bseindia.com/stock-share-price/sarthak-metals-ltd/smlt/540393/corp-announcements/>

NSE at <https://www.nseindia.com/get-quotes/equity?symbol=SMLT>

At Sarthak Metals, we have set up a solar energy plant on the roof top of the manufacturing plant situated at Hathkhoj, Durg, Chhattisgarh, India of 319 K.W., the decision of the Board in this direction can be said to be a step towards making your Company more sustainable and will reduce carbon foot prints of your Company.

Your Directors feel extremely privileged to lead the Organisation and create a long-term value for the Shareholders. The rights of the Shareholders are considered as sacrosanct and in this Direction your Company had taken many steps like sending the Annual Report at least a month before the Annual General Meeting, providing e-Voting facilities, making disclosures to the shareholders in compliance with letter and spirit of

the law to the stock exchanges from time to time, thereby keeping the shareholders well informed.

### 2. BOARD OF DIRECTORS

#### 2.1. Composition:

- i. The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors, in conformity with Regulation 17 of the Listing Regulations. As on 31<sup>st</sup> March, 2023, the Board of your Company consisted of 7 (Seven) Directors, including three Whole-Time Executive Directors (including Managing Director and Chief Executive Officer), 1 (one) non-executive non-independent professional director as a chairman and 3 independent directors (including women director).
- ii. None of the Directors on the Board:
  - holds directorship in more than ten public companies;
  - serves as Director or as independent directors in more than seven listed entities; and
  - who are the Executive Directors and serves as independent directors in more than three listed entities.

None of the Directors is holding any Committee position in other public companies as on 31<sup>st</sup> March, 2023 and the Directors are also not related to each other.

- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

iv. The names and categories of the directors on the Board and other relevant information as on 31<sup>st</sup> March, 2023 are as under:

| Name of Directors and Category<br>DIN  |  | No. of other<br>directorships<br>held* | Member/<br>Chairman of<br>the Board<br>Committees | No. of shares<br>held in the<br>Company |
|--|--|--|---|---|
| Mr. Sunil Kumar Agarwal<br>(Chairman)<br>DIN: 08680582                                   | Non-Independent,<br>Non-Executive<br>Professional Director | -                                      | -   | 3,20,000                                |
| Mr. Anoop Kumar Bansal<br>(Managing Director)<br>DIN: 01661844                           | Promoter - Executive<br>Director                           | -                                      | -   | 11,45,250                               |
| Mr. Sanjay Chamanlal Shah<br>(Whole-Time Director)<br>DIN: 00350967                      | Promoter - Executive<br>Director                           | -                                      | -   | 5,85,950                                |
| Mr. Mayur Bhatt<br>(Whole-Time Director and<br>Chief Executive Officer)<br>DIN: 07586457 | Non-Promoter Executive<br>Director                         | 1                                      | -   | 4,54,050                                |
| Mr. Dwadasi Venkata Giri<br>DIN: 02565046  | Independent, Non-<br>Executive Director                    | -                                      | 3   | -                                       |
| Ms. Rama Kohli<br>DIN: 01835824  | Independent,<br>Non-Executive Director                     | -                                      | 3   | -                                       |
| Mr. Sunil Dutt Bhatt<br>DIN: 09263587  | Independent, Non-<br>Executive Director                    | -                                      | 3   | -                                       |

\*Including private limited companies but excluding the Company.

The Directors are not related to each other.

## 2.2. Board Meetings:

The Board of Directors are provided with the requisite information mentioned in the Listing Regulations well before the Board meetings. Seven meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2023 and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

- i. 11<sup>th</sup> May, 2022
- ii. 6<sup>th</sup> July, 2022
- iii. 10<sup>th</sup> August, 2022
- iv. 20<sup>th</sup> October, 2022
- v. 11<sup>th</sup> November, 2022
- vi. 20<sup>th</sup> December, 2022
- vii. 13<sup>th</sup> February, 2023

The necessary quorum was present for all the meetings.

The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2023 and at the last Annual General Meeting is as under:

| Names of Directors      | No. of Board Meetings<br>attended | Last AGM Attended |
|-------------------------|-----------------------------------|-------------------|
| Mr. Sunil Kumar Agarwal | 7                                 | Yes               |
| Mr. Anoop Kumar Bansal  | 7                                 | Yes               |

The attendance record of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2023 and at the last Annual General Meeting is as under: (Contd.)

| Names of Directors        | No. of Board Meetings attended | Last AGM Attended |
|---------------------------|--------------------------------|-------------------|
| Mr. Sanjay Chamanlal Shah | 5                              | Yes               |
| Mr. Mayur Bhatt           | 7                              | Yes               |
| Mr. Dwadasi Venkata Giri  | 7                              | Yes               |
| Ms. Rama Kohli            | 5                              | No                |
| Mr. Sunil Dutt Bhatt      | 7                              | No                |

The Board periodically reviews the compliance reports of all laws applicable to the Company.

### 2.3. List of core skills/expertise/competence of the Board of Directors:

Kindly Your Company belongs to iron and steel sector. A chart setting out the list of core skills/expertise/competencies as identified by the Board of Directors as required in the context of its business and sector for it to function effectively and those available with the Board are as follows:

| Sr. No. | Skills/expertise/competencies                   | Mr. Sunil Kumar Agrawal | Mr. Anoop Kumar Bansal | Mr. Sanjay Shah | Mr. Mayur Bhatt | Mr. D V Giri | Ms. Rama Kohli | Mr. Sunil Dutt Bhatt |
|---------|---|-------------------------|------------------------|-----------------|-----------------|--------------|----------------|----------------------|
| 1.      | Technical and Strategic Planning                | √                       | √                      | √               | √               | √            | √              | √                    |
| 2.      | Production and General Management and Budgeting | -                       | √                      | √               | √               | -            | -              | √                    |
| 3.      | Sales and Marketing and Investor Relations      | -                       | -                      | √               | √               | -            | -              | -                    |
| 4.      | Operations and Accounting                       | -                       | √                      | -               | √               | √            | √              | √                    |
| 5.      | Finance and Banking                             | -                       | √                      | -               | √               | √            | √              | -                    |
| 6.      | Business Development                            | -                       | -                      | √               | √               | -            | -              | -                    |
| 7.      | Product development and weignment               | √                       | √                      | √               | -               | -            | -              | √                    |

| S. No. | Name of Director          | Qualification and Experience   |
|--------|---------------------------|--|
| 1.     | Mr. Sunil Kumar Agrawal   | B.E. (Hons) (Mechanical)<br>He served as 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). |
| 2.     | Mr. Anoop Kumar Bansal    | Bachelor of Commerce and has more than 26 years of experience in the business and industry.  |
| 3.     | Mr. Sanjay Chamanlal Shah | First Year of Bachelor of Commerce and having more than 37 years of experience in the business and industry and he is heading the Sales & Marketing division of our Company.   |
| 4.     | Mr. Mayur Bhatt           | Bachelor in Arts and Diploma in Electrical Engineering and having more than 19 years of experience in the industry.  |
| 5.     | Mr. Dwadasi Venkata Giri  | Masters of Commerce, LL.B and CA IIB and has vast experience in banking and finance domain.  |
| 6.     | Ms. Rama Kohli            | Bachelor in Science and PGDBM and having experience in business advisory activities.   |
| 7.     | Mr. Sunil Dutt Bhatt      | Bachelors in Engineering and Masters of Science in Statistical and Metallurgical Engineering and having more than 35 years of experience in department of Instrument and weignment in Bhilai Steel Plant.  |



**2.4. Independent Directors:**

The Board of Directors confirm that in the opinion of the Board, all Independent Directors are independent of the management of the Company and have given declarations as required under the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the eligibility criteria as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

The Company's Independent Directors met on 17<sup>th</sup> March, 2023 without the presence of the management and other non-executive directors. Independent Directors discussed matters pertaining to the Company's affairs and reviewed the performance of Non- Independent Directors, Board as a whole and Chairman of the Company and shared their views/suggestions with Chairman and Managing Director and with the Board of Directors.

The link of the policy on familiarisation programmes to the Independent Directors is as disclosed under point number 13 of Directors Report.

**2.5 Code of Conduct:**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to senior executives and Directors. The Code is applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website (<http://www.sarthakmetals.com/investors-code-of-conduct.aspx?mpgid=24>). The Code has been circulated to Directors and Senior Executives and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and senior executives in respect of Financial Year 2022-23."

**Mr. Mayur Bhatt**

Whole-Time Director and CEO

**Committees of the Board**

There are four Board Committees as on 31<sup>st</sup> March, 2023, details of which are as follows

**3 AUDIT COMMITTEE:****Brief description of terms of reference:**

The terms of reference of the committee are as per the provisions of Section 177 of the Companies Act, 2013 read with the regulation 18 of SEBI Listing Regulations, which inter-alia includes the following:

- a. Oversight of financial reporting process.
- b. Reviewing with the management, the quarterly and annual Financial Statements and auditor's report thereon before submission to the Board for approval.
- c. Evaluation of internal financial controls and risk management systems.
- d. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- e. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- f. Approval or any subsequent modification of transactions of the Company with related parties.

**3.1. Composition, name of members and chairperson:**

| Name of Members          | Category                       |
|--------------------------|--------------------------------|
| Mr. Dwadasi Venkata Giri | Chairman, Independent Director |
| Ms. Rama Kohli           | Member, Independent Director   |
| Mr. Sunil Dutt Bhatt     | Member, Independent Director   |

**3.2. Meetings and Attendance during the year\*:**

Seven meetings of Audit Committee were held during the year under review on the following dates:

1. 11<sup>th</sup> May, 2022
2. 6<sup>th</sup> July, 2022
3. 10<sup>th</sup> August, 2022
4. 20<sup>th</sup> October, 2022
5. 11<sup>th</sup> November, 2022
6. 13<sup>th</sup> February, 2023
7. 17<sup>th</sup> March, 2023

Requisite quorum was present during the meetings

| Names of Directors       | No. of Audit Committee Meetings attended |
|--------------------------|--|
| Mr. Dwadasi Venkata Giri | 7  |
| Ms. Rama Kohli           | 6  |
| Mr. Sunil Dutt Bhatt     | 7  |

The Chief Financial Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary to the Audit Committee.

Mr. Pratik Jain, Company Secretary is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.

The previous AGM of the Company was held on 5<sup>th</sup> September, 2022 and was attended by Mr. D.V. Giri, Chairman of the Audit Committee.

## 4. NOMINATION AND REMUNERATION COMMITTEE ("NRC"):

### 4.1 Brief description of terms of reference;

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act and is responsible for:

- Recommend to the Board the setup and composition of the Board and its Committees.
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Oversee familiarization programs for Directors.

### 4.2 Composition, name of members and chairperson:

| Name of Members          | Category                       |
|--------------------------|--------------------------------|
| Mr. Dwadasi Venkata Giri | Chairman, Independent Director |
| Ms. Rama Kohli           | Member, Independent Director   |
| Mr. Sunil Dutt Bhatt     | Member, Independent Director   |

### 4.3. Meetings and attendance during the year:

Two meetings of Nomination and Remuneration Committee were held during the year under review on the following dates:

- 11<sup>th</sup> May, 2022

Requisite quorum was present during all the meetings.

| Names of Directors       | No. of Nomination and Remuneration Committee Meetings attended |
|--------------------------|--|
| Mr. Dwadasi Venkata Giri | 1  |
| Mr. Sunil Dutt Bhatt     | 1  |
| Ms. Rama Kohli           | 1  |

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.
- The previous AGM of the Company held on 5<sup>th</sup> September, 2022 and was attended by Mr. D.V. Giri, Chairman of the NRC.

### 4.4. Performance evaluation criteria for independent directors:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

For more details refer point no. 12 of Directors Report.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC"):

### 5.1 Brief description of terms of reference;

The Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act and is responsible for:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.

### 5.2 Composition, name of members and chairperson;

| Name of Members          | Category                       |
|--------------------------|--------------------------------|
| Mr. Dwadasi Venkata Giri | Chairman, Independent Director |
| Ms. Rama Kohli           | Member, Independent Director   |
| Mr. Sunil Dutt Bhatt     | Member, Independent Director   |

**5.3 Meeting and attendance during the year:**

One meeting of Stakeholders Relationship Committee was held during the year under review on 6<sup>th</sup> July, 2022 requisite quorum was present during the meeting.

| Names of Directors       | No. of Stakeholders' Relationship Committee attended |
|--------------------------|--|
| Mr. Dwadasi Venkata Giri | 1  |
| Ms. Rama Kohli           | 1  |
| Mr. Sunil Dutt Bhatt     | 1  |

The Company did not receive any complaints during the year, therefore, the disclosure as to satisfaction of shareholders for compliant resolution and pendency of complaints is not required to made.

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee and is the Compliance Officer for the requirements of SEBI Listing Regulations.
- The previous AGM of the Company held on 5<sup>th</sup> September, 2022 and was attended by Mr. D.V. Giri, Chairman of the SRC.
- The Committee is spearheaded by Mr. Dwadasi Venkata Giri, Non-Executive Independent Director

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:****6.1. Brief description of terms of reference;**

The Committee is constituted in line with the provisions of Section 135 of the Act and is responsible for:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above, and
- Monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time.

**6.2. Composition, name of members and chairperson;**

| Name of Members          | Category                       |
|--------------------------|--------------------------------|
| Mr. Dwadasi Venkata Giri | Chairman, Independent Director |
| Ms. Rama Kohli           | Member, Independent Director   |
| Mr. Sunil Dutt Bhatt     | Member, Independent Director   |

**6.3. Meetings and attendance during the year;**

Two meetings of Corporate Social Responsibility Committee were held during the year under review on the following dates:

- 11<sup>th</sup> May, 2022
- 10<sup>th</sup> August, 2022
- 11<sup>th</sup> November, 2022
- 13<sup>th</sup> February, 2023

Requisite quorum was present during the meetings.

| Names of Directors       | No. of Corporate Social Responsibility Committee Meetings attended |
|--------------------------|--|
| Mr. Dwadasi Venkata Giri | 4  |
| Ms. Rama Kohli           | 3  |
| Mr. Sunil Dutt Bhatt     | 4  |

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.
- The previous AGM of the Company held on 5<sup>th</sup> September, 2022 and was attended by Mr. D.V. Giri, Chairman of the CSR Committee.

**7. REMUNERATION OF DIRECTORS:****7.1 Remuneration Policy**

The Company has in place a Remuneration Policy duly approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Company. Remuneration given to the Directors of the Company is based on the principles of performance, equitableness and competitiveness. The Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.

The remuneration of the Executive Directors, KMPs and Senior Management Personnel is based on Company's financial position, industrial trends and remuneration paid by peer companies. Remuneration to Executive Directors is paid by way of salary (including fixed pay and variable pay) and perquisites based on recommendation of the Nomination and Remuneration Committee and approval of the Board and Shareholders. The Non-executive directors are paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof. No stock options were granted to the Directors of the Company during the year under review. The appointment of the Executive Directors is governed by the resolutions passed by the Board and the shareholder of the Company read with the service rules and regulations of the Company.

The policy on the payments to non-executive directors is available on the website of the Company at below mentioned address: <http://www.sarthakmetals.com/docs/Policy%20on%20remuneration%20to%20Non%20Executive%20Directors.pdf>

The Company's remuneration policy for Directors, Key Managerial Personnel and other employees can be accessed at <http://www.sarthalkmetals.com/docs/Nomination-and-Remuneration-Policy.pdf> on the website of the Company.

## 7.2. Details of Remuneration paid to Directors during the financial year ended 31<sup>st</sup> March 2023:

The Executive Directors have been paid remuneration as per terms of their appointment. The Non-Executive Directors have been paid sitting fees for the meeting of the Board Meetings attended by them.

### a) Executive Directors

(₹ In Lakhs)

| Name of the Director      | Designation         | Salary | Perquisites and Allowances | Retiral Benefits | Bonus | Total | Stock Options Granted |
|---------------------------|---------------------|--------|----------------------------|------------------|-------|-------|-----------------------|
| Mr. Anoop Kumar Bansal    | Managing Director   | 36.00  | NIL                        | NIL              | 3.00  | 39.00 | NIL                   |
| Mr. Sanjay Chamanlal Shah | Whole-Time Director | 36.00  | NIL                        | NIL              | 3.00  | 39.00 | NIL                   |
| Mr. Mayur Bhatt*          | Whole-Time Director | 12.00  | NIL                        | NIL              | 1.00  | 13.00 | NIL                   |

\*Also holds the office of CEO

#### Contract Period:

1. Mr. Anoop Kumar Bansal – Five years from 22<sup>nd</sup> August, 2019
2. Mr. Sanjay Chamanlal Shah – Five years from 26<sup>th</sup> August, 2019
3. Mr. Mayur Bhatt – Five years from 22<sup>nd</sup> August, 2019.

Mr. Sanjay Chamanlal Shah, director who is liable to retire by rotation and being eligible offers himself for re-appointment at ensuing Annual General Meeting.

**Severance Fees:** Compensation as per the provisions of Companies Act, 2013.

### b) Non-Executive Directors:

Particulars of commission/sitting fee paid to the Non-Executive Directors during financial year ended 31<sup>st</sup> March, 2023 are as follows:

(₹ In Thousands)

| Name of the Director     | Sitting fees | Commission | Total |
|--------------------------|--------------|------------|-------|
| Mr. Sunil Kumar Agrawal  | 70           | NIL        | 70    |
| Ms. Rama Kohli           | 50           | NIL        | 50    |
| Mr. Dwadasi Venkata Giri | 70           | NIL        | 70    |
| Mr. Sunil Dutt Bhatt     | 70           | NIL        | 70    |

No commission has been paid to the Non-Executive Directors. There is no pecuniary relationship or transactions between the Company and Non-Executive Directors during the financial year 2022-23.

## 8. GENERAL BODY MEETINGS:

**8.1** The last three Annual General Meetings were held at the registered office of the Company at B.B.C. Colony, G.E. Road, Khursipar, Bhilai, Chhattisgarh-490011 and the details of Special Resolutions passed thereat are as under:

| Year    | Date                             | Day       | Time       | Special Resolutions passed |
|---------|----------------------------------|-----------|------------|----------------------------|
| 2019-20 | 9 <sup>th</sup> September, 2020  | Wednesday | 11:00 A.M. | -                          |
| 2020-21 | 14 <sup>th</sup> September, 2021 | Tuesday   | 11:00 A.M. | -                          |
| 2021-22 | 5 <sup>th</sup> September, 2022  | Monday    | 11:00 A.M. | #Refer notes below         |

#The following Special resolutions were passed during the Financial Year ended 2023:

- i. To approve and fix the remuneration of the Mr. Anoop Kumar Bansal (DIN: 01661844), Managing Director of the Company.
- ii. To approve and fix the remuneration of the Mr. Sanjay Chamanlal Shah (DIN: 00350967), Whole-Time Director of the Company.
- iii. To approve and fix the remuneration of the Mr. Mayur Bhatt (DIN: 07586457), Whole-Time Director and CEO of the Company.

## 8.2. No Special Resolution was passed during the financial year 2022-23 through postal ballot.

## 9. MEANS OF COMMUNICATION:

|      |  |  |
|------|--|--|
| i    | Quarterly Results  | The quarterly, half yearly and yearly financial results of the Company are submitted with the stock exchanges after they are approved by the Board. These are also published in the Newspapers, in the prescribed format as per the provisions of the SEBI LODR.   |
| ii   | Newspaper wherein results normally published                         | Economic Times and Shram Bindu (Vernacular) newspaper for the year 2022-23.  |
| iii  | Any website, where displayed   | <a href="http://www.sarthakmetals.com">www.sarthakmetals.com</a>   |
| iv   | Whether it also displays official news releases                      | The Company gives Press Releases to the stock exchanges and displays the same on its website.  |
| v    | The presentations made to institutional investors or to the analysts | The Company holds Analysts'/Investors Meetings from time to time. The presentations made at the said meetings are uploaded on Company's website. The necessary intimation in terms of Regulation 30 of SEBI LODR is also made to the stock exchanges.  |
| vi   | NSE Electronic Application Processing System (NEAPS)                 | The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.  |
| vii  | BSE Corporate Compliance & Listing Centre (the "Listing Centre")     | BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.   |
| viii | SEBI Complaint Redressal System (SCORES)                             | The investor complaints are processed in a centralized web-based complaint redressal system.<br><br>The salient features of this system are:<br>Centralized Data Base of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status. |

The financial results and other relevant information are placed simultaneously on your Company's website at <http://www.sarthakmetals.com/investors-financials.aspx?mpgid=24>.

During the year news releases and presentations have been made to the institutional investors/analysts which have also been uploaded on the Company's website at <http://www.sarthakmetals.com/investors-presentation.aspx?mpgid=24>

## 10. GENERAL SHAREHOLDER INFORMATION:

### 10.1. Details of General Meeting:

|                        |  |
|------------------------|--|
| Annual General Meeting |  |
| Date                   | : Monday, 21 <sup>st</sup> August, 2023                              |
| Time                   | : 12:00 P.M.   |
| Venue                  | : Hotel Ashish International, G.E. Road, Bhilai Power House - 490011 |

**10. GENERAL SHAREHOLDER INFORMATION:** (Contd.)**10.1. Details of General Meeting:**

|                                  |  |
|----------------------------------|--|
| Financial Year                   | : 2022-23                                  |
| Date of Book Closure/Record Date | : As mentioned in the Notice of this AGM   |
| Dividend Payment date            | : On or after 26 <sup>th</sup> August,2023 |

**10.2. Listing on Stock Exchanges:**

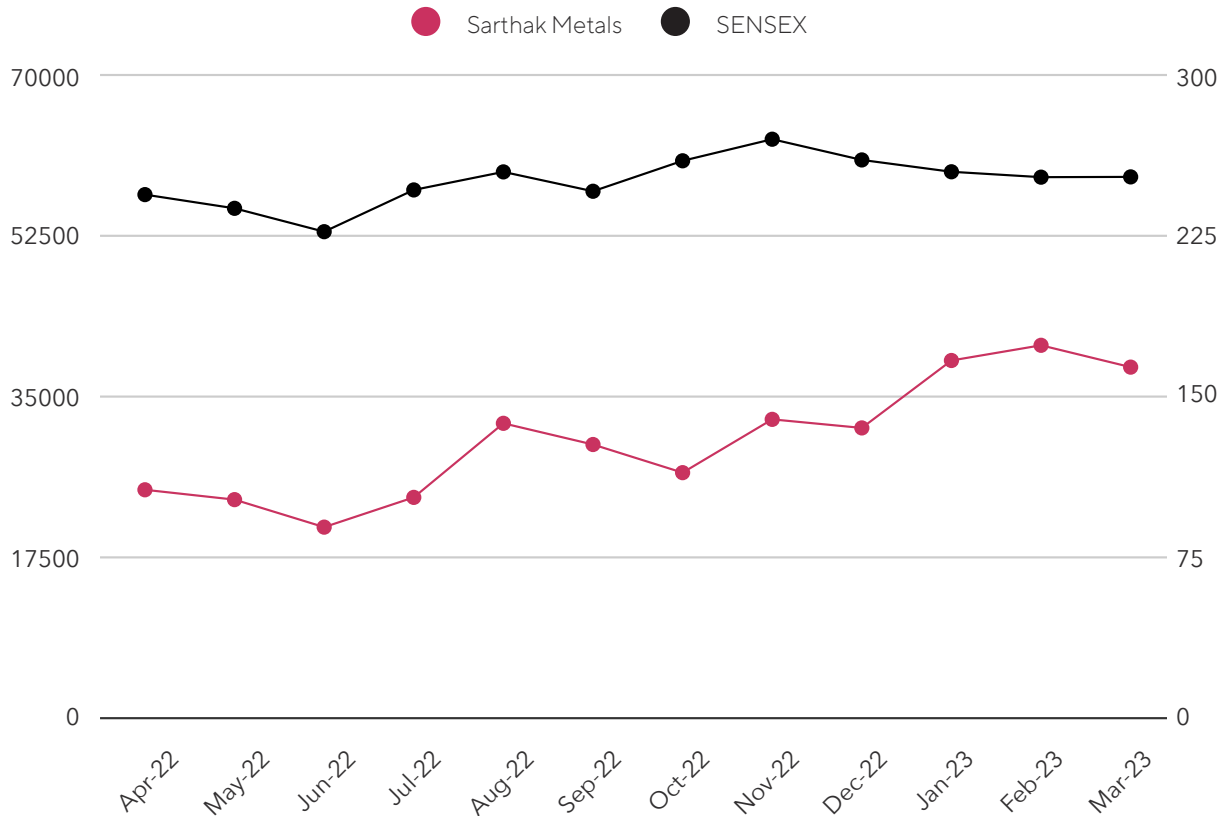
The equity shares of the Company are listed on the following exchanges:

| Name and address of the Stock Exchange  | Stock Code |
|---|------------|
| BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001  | 540393     |
| National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 | SMLT       |
| ISIN (International Securities Identification Number): INE017W01010   |            |

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. The Company has paid Annual Listing Fees to BSE Limited and to the National Stock Exchange of India Limited, Mumbai, for the equity shares for the Financial Year 2023-24.

**10.3. Market price data- high, low during each month in last financial year:**

| Date   | BSE: 540393 |           | NSE: SMLT  |           |
|--------|-------------|-----------|------------|-----------|
|        | BSE - High  | BSE - Low | NSE - High | NSE - Low |
| Apr-22 | 187         | 159.85    | 187.5      | 159.55    |
| May-22 | 183.9       | 151.4     | 183.7      | 151       |
| Jun-22 | 179.25      | 132.95    | 179        | 134       |
| Jul-22 | 152.5       | 123.15    | 152.75     | 123.25    |
| Aug-22 | 145.15      | 113.65    | 145        | 112.35    |
| Sep-22 | 138.95      | 113.05    | 137.8      | 112.9     |
| Oct-22 | 168.8       | 117       | 169        | 116.55    |
| Nov-22 | 146         | 103.75    | 145.95     | 103.85    |
| Dec-22 | 117.95      | 88.35     | 118        | 87.35     |
| Jan-23 | 101.9       | 81.7      | 102        | 81.5      |
| Feb-23 | 123.8       | 83.6      | 109.85     | 84.9      |
| Mar-23 | 123         | 88        | 120.75     | 95.6      |

**10.4. Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc:****10.5. Registrar to an issue and share transfer agents (for physical as well as electronic):**

Bigshare Services Pvt. Ltd.  
Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093  
Email ID - [sandeep@bigshareonline.com](mailto:sandeep@bigshareonline.com)  
Contact number - +91 7045454395

**10.6. Share transfer system:**

As per SEBI Listing Regulations and directions issued by SEBI, effective from 1<sup>st</sup> April, 2019, the securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1<sup>st</sup> April, 2019 and returned due to deficiency in the document. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

Entire (100%) shareholding of the Company is Dematerialized, any transfer in the shares of the Company is being done in accordance with the Regulations made by Securities and Exchange Board of India and respective Stock Exchanges.

**10.7 Reconciliation of Share Capital Audit**

The reconciliation of Share Capital Audit is conducted by a Nilesh A. Pradhan & Co. LLP, Company Secretaries to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Ltd. ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form (0%) and the total number of shares in dematerialized form (100%) (held with Depositories) and that the request for dematerialization of shares is processed by the R&T Agents within stipulated period of 21 days and uploaded with the concerned depositories.

**10.8. Distribution of shareholding:**Shareholding pattern as on 31<sup>st</sup> March, 2023:

| S. No. | Category                              | No. of Shares      | Percentage |
|--------|---------------------------------------|--------------------|------------|
| 1.     | Promoter and Promoter Group           | 95,59,950          | 69.83      |
| 2.     | Banks/MF's/FI's/Ins. Cos./NBFCs/AIF's | -                  | -          |
| 3.     | Foreign Portfolio Investors           | 1,33,344           | 0.97       |
| 4.     | Overseas Corporate Bodies             | -                  | -          |
| 5.     | Bodies Corporate                      | 3,30,688           | 2.42       |
| 6.     | Individual NRI's                      | 1,21,451           | 0.89       |
| 7.     | Resident Individuals                  | 22,99,253          | 16.80      |
| 8.     | IEPF Authority                        | -                  | -          |
| 9.     | Others                                | 12,45,064          | 9.09       |
|        | <b>Total*</b>                         | <b>1,36,89,750</b> | <b>100</b> |

\* There are no outstanding GDR's/ADR's/Warrants/Convertible Instrument of the Company.

| Shareholding of Nominal Value<br>(In ₹) | Shareholder  |               | No. of shares      |               |
|---|--------------|---------------|--------------------|---------------|
|   | Number       | % of Total    | Number             | % of Total    |
| Up to 5000                              | 6,977        | 98.52         | 16,77,428          | 12.25         |
| 5,001 - 10,000                          | 46           | 0.65          | 3,40,700           | 2.49          |
| 10,001 - 20,000                         | 22           | 0.31          | 3,22,437           | 2.36          |
| 20,001 - 30,000                         | 4            | 0.06          | 1,06,246           | 0.78          |
| 30,001 - 40,000                         | 6            | 0.08          | 2,11,459           | 1.54          |
| 40,001 - 50,000                         | 2            | 0.03          | 95,136             | 0.69          |
| 50,001 - 1,00,000                       | 5            | 0.07          | 3,45,279           | 2.52          |
| 1,00,001 and above                      | 20           | 0.28          | 1,05,91,065        | 77.36         |
| <b>Total</b>                            | <b>7,082</b> | <b>100.00</b> | <b>1,36,89,750</b> | <b>100.00</b> |

**10.9 Dematerialization of shares and liquidity:**

The Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on 31<sup>st</sup> March, 2023, the Company has 100% shareholding including that of promoters in dematerialized form.

**10.10 Commodity price risk or foreign exchange risk and hedging activities:**

The Company has in place a policy which establishes the risk management framework and defines the procedures and controls for effective management of risk's faced by the Company.

The Company is having exposure to foreign exchange fluctuation risk, however, there is natural hedging partly available in terms of exports made by your Company. Due to these natural hedges & US Dollar benchmarking the currency fluctuation risk is non material.

In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, material in the context of its overall operations. Furthermore, your Company mostly enters into long term contracts. These long-term contracts are benchmarked to international commodity exchanges. Thus, such benchmarking provides both supply side and demand side hedge to your Company's raw material price risks.



**10.11 Our manufacturing unit's location:**

17-N, Heavy Industrial Area, Hathkhaj,  
Bhilai - 490 026, Chhattisgarh, India.

**10.12 Address for correspondence:****Sarthak Metals Limited**

Registered Office Address:

BBC Colony, G.E Road,  
Khursipar, Near Bhilai ITI,  
Bhilai  
Chhattisgarh - 490011  
India

Tel: +91-9303773708

Email: [cfo@sarthakmetals.com](mailto:cfo@sarthakmetals.com), [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com)

**10.13. Credit Ratings:**

The details of credit ratings obtained/re-confirmed during the year are as under:

| Particulars                      | Rating 1 <sup>st</sup> February, 2022 |
|----------------------------------|---------------------------------------|
| Total Bank Loan Facilities Rated | 27.25 Crores                          |
| Long Term Rating                 | CRISIL<br>BBB/Stable (Re-affirmed)    |

**11. OTHER DISCLOSURES:****11.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

During the period under review, the Company had not entered into any material significant related party transactions that may have potential conflict with the interest of the Company.

None of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. \_\_\_ of Standalone Financial Statements forming part of the Annual Report.

All related party transactions are negotiated on an arms' length basis and are intended to further the Company's interests.

**11.2 Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

During the last three years, the Company has complied with all the applicable Act and Regulations and there was no non-compliance by the Company. No penalties, strictures, fines were imposed on the Company by Stock

Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets.

**11.3 Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has put in place a mechanism for reporting illegal and unethical behavior. The Company has a Vigil Mechanism under which the employees are free to report violations of applicable law and regulations and the Code of Conduct. The reportable matters may be disclosed to the Managing Director who will in turn report to Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

The said Policy has also been uploaded on Company's website at the following links: <http://www.sarthakmetals.com/docs/SML-Whistle-Blower-Policy.pdf>

**11.4 The Company has also formulated the Policy on Disclosure of Material Events or Information and Policy on Preservation and Archival of Documents:**

The said Policies have also been uploaded on Company's website at the following links:

<http://www.sarthakmetals.com/docs/Policy-on-Criteria-for-Determining-Materiality-of-Events.pdf>

<http://www.sarthakmetals.com/docs/Policy-for-Preservation-of-Documents.pdf>

**11.5 The Company has also formulated the Policy on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

No Complaints pertaining to sexual harassment of women employees was received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Accordingly, there is no information required to be furnished.

The said Policy has also been uploaded on Company's website at the following links:

<http://www.sarthakmetals.com/docs/SML-Prevention-of-Sexual-Harrasment-Policy.pdf>

**11.6 Details of compliance with mandatory requirements and adoption of the nonmandatory requirements:**

The Company has complied with the all the mandatory requirements during the Financial Year 2022-23.

**11.7 Web link where policy for determining 'material' subsidiaries is disclosed:**

<http://www.sarthakmetals.com/docs/SML-Material-Subsidiaries-Policy.pdf>

**11.8 Web link where policy on dealing with party transactions:**

<http://www.sarthakmetals.com/docs/Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20and%20Dealing%20with%20Related%20Party%20Transactions.pdf>

**11.9** A certificate has been received from Nilesh A. Pradhan & Co., LLP Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**11.10 Disclosure of commodity price risks and commodity hedging activities:**

The Company has a policy in place which establishes the risk management framework and defines the procedures and controls for effective management of risk's faced by the Company.

The Company is having exposure to foreign exchange fluctuation risk, however, there is natural hedging partly available in terms of exports made by your Company. Due to these natural hedges & US Dollar benchmarking the currency fluctuation risk is non material.

In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, material in the context of its overall operations. Furthermore, your Company mostly enters into long term contracts. These long-term contracts are benchmarked to international commodity exchanges. Thus, such benchmarking provides both supply side and demand side hedge to your Company's raw material price risks.

**11.11** The Board has adopted all the recommendations made by the committees of the Board during the year.

**11.12** Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The Company has paid ₹ 5,00,000 to the Statutory Auditors of the Company towards Statutory Audit and Tax Audit.

**11.13** The Company has not advanced any Loans or Advances to any of the Directors or firms/companies in which directors are interested.

**Mayur Bhatt**

Whole-Time Director & Chief Executive Officer  
DIN: 07586457

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

**11.14** There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of SEBI Listing Regulations where they have any personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to Board of Directors of the Company.

**11.15** The Financial Statements of the Company for the year ended have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under the Companies (Accounting Standards) Rules, 2015.

**11.16** Pursuant to the requirement of Regulation 30 of SEBI Listing Regulations, the Company would like to inform that no agreements(s) have been entered with the media companies and/or their associates which has resulted/will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements etc. are not applicable. The Company has not entered into any other back-to-back treaties/contracts/agreements/MoU's or similar instruments with the media companies and/or their associates.

**11.17** Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

The Company as on date of this report has not transferred any amount to IEPF as no amount is liable to be transferred.

**11.18 The discretionary requirements as specified in Part E of Schedule II have been adopted as given hereunder:**

The Company at its own discretion has separated the post of Chairman and Managing Director to provide for more independence of the Board from the management of the Company.

**11.19** The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

**Anoop Kumar Bansal**

Managing Director  
DIN: 01661844

# Corporate Governance Certificate

To  
The Members  
**Sarthak Metals Limited**

We have examined the compliance of conditions of Corporate Governance by **Sarthak Metals Limited** ("the Company"), for the year ended on 31<sup>st</sup> March, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the Company the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Prajakta V.Padhye**

Partner

FCS No: 7478

CP No:7891

PR No:1908/2022

UDIN: F007478E000548843

**Place:** Mumbai  
**Date:** 6<sup>th</sup> July, 2023

# Annexure B

## COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS

### Salient features of the Policy:

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (including Independent Director) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To carry out evaluation of performance of Directors, Key Management Personnel as well as Senior Management Personnel.
3. To evaluate the level and composition of remuneration and the other terms of employment is reasonable and sufficient to attract, retain and motivate executives of the Company shall be competitive in order to ensure that the Company can attract and retain competent Executives.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

### Note:

The full policy on Directors' Appointment and Remuneration is available on website of the Company at <http://www.sarthakmetals.com/docs/Nomination-and-Remuneration-Policy.pdf> and remuneration policy for Non-executive Directors is available on website of the Company at <http://www.sarthakmetals.com/docs/Policy%20on%20remuneration%20to%20Non%20Executive%20Directors.pdf>

### Mayur Bhatt

Whole-Time Director & Chief Executive Officer  
DIN: 07586457

### Anoop Kumar Bansal

Managing Director  
DIN: 01661844

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

# Annexure C

## FORM - 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 arm's length transactions under third proviso thereto

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

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

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

| Name(s) of the related party and nature of relationship |   | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value (in ₹), if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|---|---|---|---|--|---------------------------------|
| M/s Bansal Bothers                                      | Enterprises over which significant Influence exists & A firm in which Director and KMP is Partner | Sales Ferro Alloys                            |   | Sales Ferro Alloys<br>14,26,74,562  |  |                                 |
|   |   | Repair & Maintenance Machine                  |   | Repair & Maintenance Machine 74,465   |  |                                 |
|   |   | Consumable Goods                              |   | Repair & Maintenance Machine 714  |  |                                 |
|   |   | Consumable Packing Goods                      |   | Consumable Packing Goods 2,78,270   |  |                                 |
|   |   | Factory Shed & Building                       | Recurring (Annual)                                  | Factory Shed & Building 3,87,742  | 6 <sup>th</sup> July, 2022               | NIL                             |
|   |   | Purchase Raw Material                         |   | Purchase Raw Material 2,12,611  |  |                                 |
|   |   | Repair & Maintenance Shed & Building          |   | Repair & Maintenance Shed & Building 93,044   |  |                                 |
|   |   | Sales   |   | Sales 1,52,06,781   |  |                                 |
|   |   | Purchase Raw Material                         |   | Purchase Raw Material 25,88,20,250  |  |                                 |

#### Mayur Bhatt

Whole-Time Director & Chief Executive Officer  
DIN: 07586457

#### Anoop Kumar Bansal

Managing Director  
DIN: 01661844

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

# Annexure D

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of the Sarthak Metals is aligned with its overall commitment to maintaining the highest standards of business performance. We recognize that our business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

In line with Sarthak's Vision, through its CSR initiatives, it will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

The CSR Policy of Sarthak aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well-being.

### 2. The composition of the CSR committee:

| Sr. No. | Name of Director         | Designation/Nature of Directorship                 | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------------|--|--|--|
| 1.      | Mr. Dwadasi Venkata Giri | Chairman,<br>Non-Executive<br>Independent Director | 4  | 4  |
| 2.      | Ms. Rama Kohli           | Member,<br>Non-Executive<br>Independent Director   | 4  | 3  |
| 3.      | Mr. Sunil Dutt Bhatt     | Member,<br>Non-Executive<br>Independent Director   | 4  | 4  |

### 3. Provide the web-link where Composition committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

- Composition of the CSR committee shared above and is available on the Company's website at <http://www.sarthakmetals.com/investors-committees-of-board-of-directors.aspx?mpgid=24>
- CSR policy at <http://www.sarthakmetals.com/docs/Corporate-Social-Responsibility-Policy.pdf>
- CSR projects approved by the board are disclosed on the website of the Company at <http://www.sarthakmetals.com/infrastructure.aspx?mpgid=10&pgid=10>

### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.:

The provisions of Impact assessment as mandated under sub-rule (3) of rule 8 of the Companies, (Corporate Social Responsibility Policy) Rules, 2014 is not applicable on the Company as the obligation of the Company towards CSR is less than 10 Crores in the three immediately preceding financial years.

5. (a) Average net profit of the Company as per Section 135(5) of the Act: ₹ 1770.23 Lakhs.

(b) Two percent of average net profit of the Company as per Section 135(5) of the Act: ₹ 35.40 Lakhs.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year (7a+7b-7c): ₹ 35.40 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

(₹ In Lakhs)

| Total Amount Spent for the Financial Year | Amount Unspent  |                  |                  |  |                  |
|---|---|------------------|------------------|--|------------------|
|   | Total Amount transferred to Unspent CSR Account as per Section 135 (6) of the Act |                  |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act |                  |
|   | Amount  | Date of transfer | Name of the Fund | Amount   | Date of transfer |
| ₹ 35.51                                   | NIL   | -                | -                | NIL  | -                |

(b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ In Lakhs)

| (1)     | (2)                 | (3)   | (4)                 | (5)                     | (6)      | (7)              | (8)                                     | (9)   | (10)  | (11)                                   |  |                         |
|---------|---------------------|---|---------------------|-------------------------|----------|------------------|---|---|---|--|--|-------------------------|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII of the Act | Local Area (Yes/No) | Location of the project |          | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹) | Mode of Implementation-Direct (Yes/No) | Mode of Implementation-Through Implementing Agency |                         |
|         |                     |   |                     | State                   | District |                  |   |   |   |  | Name   | CSR Registration Number |
| 1.      |                     |   |                     |                         |          |                  |   |   |   |  |  |                         |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(₹ In Lakhs)

| (1)     | (2)                               | (3)   | (4)                 | (5)                     | (6)       | (7)                                 | (8)                                    |  |                         |
|---------|-----------------------------------|---|---------------------|-------------------------|-----------|-------------------------------------|--|--|-------------------------|
| Sr. No. | Name of the Project               | Item from the list of activities in Schedule VII of the Act | Local Area (Yes/No) | Location of the project |           | Amount spent for the project (in ₹) | Mode of Implementation-Direct (Yes/No) | Mode of Implementation-Through Implementing Agency |                         |
|         |                                   |   |                     | State                   | District  |                                     |  | Name   | CSR Registration Number |
| 1.      | Sansthanam Abhay Daanam           | (iv)  | Yes                 | C.G.                    | Durg      | 9,00,000                            | No                                     | Sansthanam Abhay Daanam                            | CSR00001492             |
| 2.      | Sai Netraheen Sewa Sanstha        | (i)   | No                  | Delhi                   | New Delhi | 1,50,000                            | No                                     | Sai Netraheen Sewa Sanstha                         | CSR00008773             |
| 3.      | District Education Office         | (ii)  | Yes                 | C.G.                    | Durg      | 2,50,000                            | No                                     | District Education Office                          | CSR00010757             |
| 4.      | Bhagwan Mahavir Jain Relief Trust | (i)   | Yes                 | C.G.                    | Raipur    | 21,50,000                           | No                                     | Bhagwan Mahavir Jain Relief Trust                  | CSR00026129             |
| 5.      | Hrishikesh Education Society      | (ii)  | Yes                 | C.G.                    | Durg      | 50,000                              | No                                     | Hrishikesh Education Society                       | CSR00026422             |
| 6.      | Hare Krishna Movement             | (i)   | Yes                 | C.G.                    | Raipur    | 51,000                              | No                                     | Hare Krishna Movement                              | CSR00047880             |

- (d) Amount spent in Administrative Overheads: NIL
- (e) Amount spent on Impact Assessment, if applicable: NIL
- (f) Total amount spent for the Financial Year: (8b+8c+8d+8e): ₹ 35.51 Lakhs

(g) Excess amount for set off, if any:

| S. No. | Particular   | Amount (₹ In Lakhs) |
|--------|--|---------------------|
| (i)    | Two percent of average net profit of the Company as per Section 135 (5)                                    | 35.40               |
| (ii)   | Total amount spent for the Financial Year  | 35.51               |
| (iii)  | Excess amount spent for the financial year [(ii)-(i)]  | 0.11                |
| (iv)   | Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any | -                   |
| (v)    | Amount available for set off in succeeding financial years [(iii)-(iv)]                                    | 0.11                |

7. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No.        | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) of the Act (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6) of the Act, if any |               |                  | Amount remaining to be spent in succeeding financial years. (In ₹) |
|----------------|--------------------------|---|---|--|---------------|------------------|--|
|                |                          |   |   | Name of the Fund   | Amount (in ₹) | Date of transfer |  |
| Not Applicable |                          |   |   |  |               |                  |  |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1)     | (2)        | (3)                 | (4)   | (5)              | (6)  | (7)   | (8)  | (9)                                       |
|---------|------------|---------------------|---|------------------|--|---|--|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (₹ in Lakhs.) | Amount spent on the project in the reporting Financial Year (₹ In Lakhs.) | Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs.) | Status of the project- Completed /Ongoing |
| NIL     |            |                     |   |                  |  |   |  |   |

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): None
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act: Not Applicable

**Anoop Kumar Bansal**

Managing Director  
DIN: 01661844

**Date:** 6<sup>th</sup> August, 2023

**Place:** Bhilai (C.G.)

**Dwadasi Venkata Giri**

Chairman, Corporate Social Responsibility Committee  
DIN: 02565046



# Annexure E

## SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

To,  
The Members,  
**SARTHAK METALS LIMITED**  
B.B.C COLONY, KHURSIPAR, G.E. ROAD, BHILAI, Chhattisgarh - 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 books, papers, minute books, forms and returns filed and other records maintained by "the Company" and submitted by the Company for verification through electronic mode and also the information provided by "the Company", its officers, agents authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended 31<sup>st</sup> March, 2023 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended 31<sup>st</sup> March, 2023 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- 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 (Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable as the Company has not issued any Share based Employee Benefits during the financial year under review);
  - (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued any further share capital during the financial year under review);
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period);
  - (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;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (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, 2018 (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 issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**I further report that**

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

The decisions at Board meetings and committee meetings are carried out unanimously or as recorded in the minutes of the meeting of Board of Directors or committee 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) Public/Rights/Preferential issue of shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign Technical collaborations.

**We further report that** the Company has appointed Cost Auditor during the period under review.

**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:** 6<sup>th</sup> July, 2023

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

**Prajakta V.Padhye**

Partner

FCS No: 7478

CP No: 7891

PR No: 1908/2022

UDIN: F007478E000548920

**Note:** This report should be read with our 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, KHURSIPAR, G.E. ROAD,  
BHILAI, Chhattisgarh - 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 believe 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 and internal Control System of the Company.
4. Where ever required, more specifically with respect to the all other applicable laws, except as stated in Secretarial Audit Report we have obtained and relied upon the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Prajakta V.Padhye**

Partner

FCS No: 7478

CP No: 7891

PR No: 1908/2022

UDIN: F007478E000548920

**Place:** Mumbai  
**Date:** 6<sup>th</sup> July, 2023

# Disqualification Report

Certificate [Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**SARTHAK METALS LIMITED**

We have examined the relevant disclosures provided the by the Directors (as mentioned in below table) to **SARTHAK METALS LIMITED** (CIN: L51102CT1995PLC009772) having its Registered Office at B.B.C COLONY, KHURSIPAR, G.E.ROAD, BHILAI, Chhattisgarh - 490011 ("hereinafter referred to as the Company") for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and the relevant disclosures provided the by the Directors (as mentioned in below table) to the Company, we hereby certify that none of the Directors on the Board of the Company as stated below as on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other statutory authority.

| S.No. | Name of Director      | Director Identification Number (DIN) | Date of Appointment in the Company |
|-------|-----------------------|--------------------------------------|------------------------------------|
| 1     | SANJAY CHAMANLAL SHAH | 00350967                             | 02/01/2003                         |
| 2     | ANOOP KUMAR BANSAL    | 01661844                             | 28/07/1995                         |
| 3     | RAMA KOHLI            | 01835824                             | 24/08/2016                         |
| 4     | DWADASI VENKATA GIRI  | 02565046                             | 31/07/2020                         |
| 5     | MAYUR BHATT           | 07586457                             | 21/08/2016                         |
| 6     | SUNIL KUMAR AGARWAL   | 08680582                             | 01/02/2020                         |
| 7     | SUNIL DUTT BHATT      | 09263587                             | 04/08/2021                         |

\*the date of appointment is as per the MCA Portal.

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

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

**Prajakta V.Padhya**

Partner

FCS No: 7478

CP No:7891

PR No:1908/2022

UDIN: F007478E000548799

**Place:** Mumbai  
**Date:** 6<sup>th</sup> July, 2023

# CEO and CFO Certification

The Board of Directors

**Sarthak Metals Limited**, Bhilai

Dear Members of the Board,

We, Mayur Bhatt, Chief Executive Officer and Whole-Time Director and Mr. Anirudh Singhal, Chief Financial Officer of **Sarthak Metals Limited**, to the best of knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at 31<sup>st</sup> March, 2023, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended 31<sup>st</sup> March, 2023.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The Financial Statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the Financial Statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct).
8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**Mayur Bhatt**

Whole-Time Director & Chief Executive Officer  
DIN: 07586457

**Anirudh Singhal**  
Chief Financial Officer  
PAN: BELPS2753A

**Date:** 6<sup>th</sup> July, 2023

**Place:** Bhilai (C.G.)

# Independent Auditors' Report

To  
The Members of **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 31<sup>st</sup> March, 2023, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory informations.

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

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

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

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

### MANAGEMENT'S RESPONSIBILITY FOR THE 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 controls.
- 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (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:
- I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - III. There were no amounts which are required to be transferred by the Company to the Investor Education and Protection Fund.
- IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For, BEGANI & BEGANI**  
 CHARTERED ACCOUNTANTS  
 (FRN: 010779 C)

**NIKHILESH BEGANI**  
 PARTNER  
 M.NO. 110603  
 UDIN: 23110603BGWNVX2856

**DATE:** 26<sup>th</sup> May, 2023  
**PLACE:** RAIPUR (C.G.)



# Annexure A

## TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited)** ("the Company") as of 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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: 010779 C)

**NIKHILESH BEGANI**  
PARTNER  
M.NO. 110603  
UDIN: 23110603BGWNVX2856

**DATE:** 26<sup>th</sup> May, 2023  
**PLACE:** RAIPUR (C.G.)

# Annexure B

## TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SARTHAK METALS LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every 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 Property, Plant and Equipment were due for verification during the year and 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) Based on our examination of the registered sale deeds/transfer deeds/conveyance deeds provided to us, we report that immovable properties disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) 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 of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate from banks or financial institutions on the basis of security of current assets and Monthly/Quarterly Returns filed are in agreement with Books of Accounts of the Company.
- iii. The Company has made investments & has provided Loans to Companies during the year, in respect of which:
  - (a) The Company has not provided loans or advances in the nature of loans.
  - (b) In our opinion, the investments made are prima facie, not prejudicial to the Company's interest.
  - (c) The Company has not provided any loans or advances in the nature of loans.
  - (d) The Company has not provided any loans or advances in the nature of loans, hence there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the

same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Income Tax and other material statutory dues in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

(b) However, according to information and explanations given to us, the following dues of have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of dues | Amount (in ₹) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|----------------|---------------|------------------------------------|--------------------------------|
| Income Tax          | Income Tax     | 10,15,610/-   | 2017-18                            | Commissioner Appeals           |

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- ix. (a) The Company has not defaulted in repayment of any loans or other borrowings from any lender or in the Payment of Interest thereon to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the Financial Statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company is not having any Subsidiary and hence, reporting under clause 3(ix)(e) of the Order is not applicable for the year.
- (f) The Company is not having any Subsidiary, joint venture or associate Company and hence reporting on clause 3(ix)(f) of the Order is not applicable for the year.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

**For, BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS  
(FRN: 010779 C)

**NIKHILESH BEGANI**  
PARTNER  
M.NO. 110603  
UDIN: 23110603BGWNVX2856

**DATE:** 26<sup>th</sup> May, 2023  
**PLACE:** RAIPUR (C.G.)

# Balance Sheet

AS AT 31<sup>ST</sup> MARCH, 2023

(Amount in Lakhs)

| Particulars  | Note | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |      |                                    |                                    |
| <b>Non-Current Assets</b>  |      |                                    |                                    |
| Property, Plant and Equipment  | 2A   | 1103.76                            | 1129.91                            |
| Capital work-in-progress   | 2B   | 171.36                             | 0.00                               |
| Intangible Assets  | 3    | 1.99                               | 2.64                               |
| <b>Financial Assets</b>  |      |                                    |                                    |
| Investments  | 4    | 0.00                               | 75.00                              |
| Other Financial Assets   | 5    | 149.91                             | 169.54                             |
| <b>Total Non current assets</b>  |      | <b>1427.02</b>                     | <b>1377.09</b>                     |
| <b>Current Assets</b>  |      |                                    |                                    |
| Inventories  | 6    | 1454.46                            | 2813.34                            |
| <b>Financial Assets</b>  |      |                                    |                                    |
| Trade Receivables  | 7    | 5305.71                            | 5684.00                            |
| Cash and Cash Equivalents  | 8    | 733.30                             | 647.48                             |
| Other Balances with Banks  | 9    | 783.53                             | 129.07                             |
| Other Current Assets   | 10   | 1294.66                            | 957.12                             |
| <b>Total Current Assets</b>  |      | <b>9571.66</b>                     | <b>10231.01</b>                    |
| <b>Total Assets</b>  |      | <b>10998.68</b>                    | <b>11608.10</b>                    |
| <b>EQUITY AND LIABILITIES</b>  |      |                                    |                                    |
| <b>EQUITY</b>  |      |                                    |                                    |
| Equity Share Capital   | 11   | 1368.98                            | 1368.98                            |
| Other Equity   | 12   | 9130.30                            | 6424.71                            |
| <b>TOTAL EQUITY</b>  |      | <b>10499.27</b>                    | <b>7793.69</b>                     |
| <b>LIABILITIES</b>   |      |                                    |                                    |
| <b>Non-Current Liabilities</b>   |      |                                    |                                    |
| <b>Financial Liabilities</b>   |      |                                    |                                    |
| Borrowings   | 13   | 0.00                               | 258.15                             |
| Provisions   | 14   | 84.99                              | 72.11                              |
| Deferred Tax Liabilities (Net)   | 15   | 11.08                              | 13.85                              |
| <b>Total Non Current Liabilities</b>   |      | <b>96.06</b>                       | <b>344.11</b>                      |
| <b>Current Liabilities</b>   |      |                                    |                                    |
| <b>Financial liabilities</b>   |      |                                    |                                    |
| Borrowings   | 16   | 0.00                               | 1974.92                            |
| Trade Payables   | 17   |                                    |                                    |
| Total outstanding dues of micro enterprises and small enterprises                      |      | 0.00                               | 0.00                               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 52.23                              | 1028.15                            |
| Other Current Liabilities  | 18   | 27.67                              | 42.03                              |
| Provisions   | 19   | 85.50                              | 117.79                             |
| Current Tax Liabilities (Net)  | 20   | 237.94                             | 307.41                             |
| <b>TOTAL LIABILITIES</b>   |      | <b>499.41</b>                      | <b>3814.41</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>10998.68</b>                    | <b>11608.10</b>                    |

Significant accounting policies

1

See accompanying notes to the Financial Statements

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As per our report of even date attached  
For, **BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS  
(FRN: 010779C)

For and on behalf of Board of Directors of  
For, **SARTHAK METALS LIMITED**

**(NIKHILESH BEGANI)**  
PARTNER  
M. No. 110603  
UDIN: 23110603BGWNVX2856

**(ANOOP KUMAR BANSAL)**  
DIRECTOR  
DIN:01661844

**(MAYUR BHATT)**  
DIRECTOR  
DIN:07586457

**PLACE:** RAIPUR (C.G.)  
**DATE:** 26<sup>th</sup> May, 2023

**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN: AUMPJ3071G

**(ANIRUDH SINGHAL)**  
CFO  
PAN: BELPS2753A

# Statement of Profit and Loss

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Amount in Lakhs)

| Particulars  | Note         | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--------------|--|--|
| <b>REVENUE FROM OPERATIONS</b>   |              |  |  |
| Revenue from Sale of Products  | 21           | 40842.59                                   | 45729.80                                   |
| Other Income   | 22           | 380.47                                     | 95.90                                      |
| <b>Total Income (I)</b>  |              | <b>41223.06</b>                            | <b>45825.71</b>                            |
| <b>EXPENSES</b>  |              |  |  |
| Cost of Materials Consumed   | 23           | 33225.53                                   | 37713.75                                   |
| Changes in inventories of finished goods and work-in-progress                                    | 24           | 387.28                                     | 224.57                                     |
| Employee Benefits Expense  | 25           | 782.62                                     | 771.61                                     |
| Finance Costs  | 26           | 133.98                                     | 400.09                                     |
| Depreciation and Amortisation Expense  | 2 & 3        | 153.70                                     | 168.63                                     |
| Other Expenses   | 27           | 2438.52                                    | 3229.01                                    |
| <b>Total Expenses (II)</b>   |              | <b>37121.63</b>                            | <b>42507.66</b>                            |
| Profit Before exceptional and extraordinary items and tax (I-II)                                 |              | 4101.44                                    | 3318.05                                    |
| Exceptional items  |              | (78.88)                                    | 266.61                                     |
| <b>Profit Before tax (I-II)</b>  |              | <b>4022.55</b>                             | <b>3584.66</b>                             |
| <b>Tax Expense</b>   |              |  |  |
| (1) Current Tax  |              | 1050.00                                    | 845.42                                     |
| (2) Deferred Tax   | 15           | (3.79)                                     | (8.87)                                     |
| (3) Current taxes relating to earlier years  |              | 0.00                                       | 0.00                                       |
| <b>Profit for the period</b>   |              | <b>2976.35</b>                             | <b>2748.11</b>                             |
| <b>Other comprehensive income</b>  |              |  |  |
| (i) Items that will not be reclassified to profit or loss  |              |  |  |
| - Remeasurement of defined benefit plans   |              | 4.06                                       | (8.11)                                     |
| - Income tax expense/(benefit) related to items that will not be reclassified to Profit and loss |              | 1.02                                       | (2.04)                                     |
| Total Other comprehensive income (Net of Tax)  |              | 3.04                                       | (6.07)                                     |
| <b>Total Comprehensive income for the Year</b>   |              | <b>2979.38</b>                             | <b>2742.04</b>                             |
| Earnings per Equity Share of ₹ 100 Each  | 34           |  |  |
| Basic (in ₹)   |              | 21.74                                      | 20.07                                      |
| Diluted (in ₹)   |              | 21.74                                      | 20.07                                      |
| <b>Significant accounting policies</b>   | <b>1</b>     |  |  |
| <b>See accompanying notes to the Financial Statements</b>  | <b>2A-41</b> |  |  |

As per our report of even date attached  
For, **BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS  
(FRN: 010779C)

**(NIKHILESH BEGANI)**  
PARTNER  
M. No. 110603  
UDIN: 23110603BGWNVX2856

**PLACE:** RAIPUR (C.G.)  
**DATE:** 26<sup>th</sup> May, 2023

**(ANOOP KUMAR BANSAL)**  
DIRECTOR  
DIN:01661844

**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN: AUMPJ3071G

For and on behalf of Board of Directors of  
For, **SARTHAK METALS LIMITED**

**(MAYUR BHATT)**  
DIRECTOR  
DIN:07586457

**(ANIRUDH SINGHAL)**  
CFO  
PAN: BELPS2753A

# Statement of Cash Flow

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

(Amount in Lakhs)

| Particulars   | Note | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|------|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>   |      |  |  |
| <b>Net Profit before tax as per Profit &amp; Loss Account</b>   |      | 4,022.55                                   | 3,584.66                                   |
| Adjustment for:   |      |  |  |
| Depreciation  |      | 153.70                                     | 168.63                                     |
| Interest (Net)  |      | 53.78                                      | 356.30                                     |
| Provision for Employee Benefits   |      | 4.06                                       | (8.11)                                     |
| Provision Expected Credit Loss  |      | 1.88                                       | 9.38                                       |
| Loss/(profit) on sale of fixed assets   |      | (1.60)                                     | (213.50)                                   |
| Loss/(profit) on sale of Investments  |      | (25.38)                                    | 9.38                                       |
|   |      | 186.44                                     | 312.70                                     |
| <b>Operating Profit before Working Capital changes</b>  |      | <b>4,209.00</b>                            | <b>3,897.36</b>                            |
| Adjustment for:   |      |  |  |
| Decrease/(Increase) in Inventories  |      | 1,358.88                                   | 163.09                                     |
| Decrease/(Increase) in trade receivables  |      | 376.40                                     | (1,875.06)                                 |
| Decrease/(Increase) in other current assets   |      | (337.54)                                   | (536.57)                                   |
| Decrease/(Increase) in other financial assets   |      | 19.63                                      | (56.98)                                    |
| Increase/(Decrease) in provisions   |      | (88.88)                                    | 43.70                                      |
| Increase/(Decrease) in trade payables   |      | (975.92)                                   | 1,150.70                                   |
| Increase/(Decrease) in current liabilities  |      | (14.36)                                    | (241.47)                                   |
| Increase/(Decrease) in financial liabilities  |      | -  | (55.69)                                    |
|   |      | 338.22                                     | (1,408.29)                                 |
| <b>Cash generated from Operations</b>   |      | <b>4,547.22</b>                            | <b>2,489.07</b>                            |
| Direct Taxes (Net)  |      | (1,050.00)                                 | (845.42)                                   |
| Net Cash from Operating Activities  |      | 3,497.22                                   | 1,643.65                                   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>   |      |  |  |
| Investment in Fixed Assets including Capital WIP  |      | (298.56)                                   | (190.25)                                   |
| Proceeds from sale/Subsidy of fixed assets  |      | 1.90                                       | 494.79                                     |
| Proceeds from sale of Investments   |      | 100.38                                     | -  |
| Interest Received   |      | 43.32                                      | 6.27                                       |
| <b>Net Cash used in Investing Activities</b>  |      | <b>(152.97)</b>                            | <b>310.81</b>                              |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>   |      |  |  |
| Proceed From Long Term Borrowing  |      | (426.31)                                   | (183.16)                                   |
| Other Short Term Borrowings   |      | (1,806.76)                                 | (703.91)                                   |
| Interest Paid   |      | (97.10)                                    | (362.57)                                   |
| Dividend Paid   |      | (273.80)                                   | (273.80)                                   |
| <b>Net Cash from financing Activities</b>   |      | <b>(2,603.97)</b>                          | <b>(1,523.43)</b>                          |
| <b>Net Increase/(decrease) in Cash &amp; Cash equivalents and Other Bank Balances (A+B+C)</b>         |      | <b>740.28</b>                              | <b>431.03</b>                              |
| CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES AS AT 01/04/2022 (as per Note-'13')                   |      | 776.55                                     | 345.52                                     |
| CASH & CASH EQUIVALENTS AND OTHER BANK BALANCES AS AT 31 <sup>st</sup> MARCH, 2022 (as per Note-'13') |      | 1,516.83                                   | 776.55                                     |
| <b>Increase/(decrease) in Cash &amp; Cash equivalents and Other Bank Balances</b>                     |      | <b>740.28</b>                              | <b>431.03</b>                              |

**Notes:**

- a The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.  
b Significant accounting policies - Refer note no. 1

Accompanying notes to the Financial Statements - Refer note no. 2A-43

As per our report of even date attached  
For, **BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS  
(FRN: 010779C)

For and on behalf of Board of Directors of  
For, **SARTHAK METALS LIMITED**

(**NIKHILESH BEGANI**)  
PARTNER  
M. No. 110603  
UDIN: 23110603BGWNVX2856

(**ANOOP KUMAR BANSAL**)  
DIRECTOR  
DIN:01661844

(**MAYUR BHATT**)  
DIRECTOR  
DIN:07586457

PLACE: RAIPUR (C.G.)  
DATE: 26<sup>th</sup> May, 2023

(**PRATIK JAIN**)  
COMPANY SECRETARY  
PAN: AUMPJ3071G

(**ANIRUDH SINGHAL**)  
CFO  
PAN: BELPS2753A



# Statement of Changes in Equity

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023

## A. Equity Share Capital

(Amount in Lakhs)

| Particulars   | No. of Shares | Amount         |
|---|---------------|----------------|
| As at 31 <sup>st</sup> March, 2022                                | 136.90        | 1368.98        |
| Changes in Equity Share capital to prior period errors            | 0.00          | 0.00           |
| Restated balance at the beginning of the current reporting period | 136.90        | 1368.98        |
| Changes in equity share capital during the year                   | 0.00          | 0.00           |
| <b>As at 31<sup>st</sup> March, 2023</b>                          | <b>136.90</b> | <b>1368.98</b> |

## B. Other Equity

(Amount in Lakhs)

| Particulars                                      | Reserves and Surplus        |                   | Remeasurement of net defined benefit plan through OCI | Total          |
|--|-----------------------------|-------------------|---|----------------|
|  | Securities Premium Reserves | Retained Earnings |   |                |
| <b>Balance as on 31<sup>st</sup> March, 2022</b> | <b>433.91</b>               | <b>5997.88</b>    | <b>(7.08)</b>   | <b>6424.71</b> |
| Profit/(loss) for the year                       | 0.00                        | 2976.35           | 3.04  | 2979.38        |
| Other Comprehensive Income/(loss)                | 0.00                        | 0.00              | 0.00  | 0.00           |
| <b>Total Comprehensive Income for the year</b>   | <b>433.91</b>               | <b>8974.23</b>    | <b>(4.04)</b>   | <b>9404.09</b> |
| Dividends paid (incl. dividend distribution tax) | 0.00                        | (273.80)          | 0.00  | (273.80)       |
| Others   | 0.00                        | 0.00              | 0.00  | 0.00           |
| <b>Balance as on 31<sup>st</sup> March, 2023</b> | <b>433.91</b>               | <b>8700.43</b>    | <b>(4.04)</b>   | <b>9130.30</b> |

Significant accounting policies - Refer note no. 1

Accompanying notes to the Financial Statements - Refer note no. 2A-43

# Significant Accounting Policies and Explanatory notes to Financial Statements

## COMPANY PROFILE

**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 BSE and NSE Stock Exchange. The Company is engaged in the manufacturing and selling cored wires, ferro alloys, aluminium wire and related items.

## 1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1.1 Basis of Preparation and Transition to Ind AS

The Financial Statements of the Company are based on the principle of historical cost except for certain financial assets and liabilities and defined benefit plan that are measured at fair value, and are drawn up to comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The Financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

Certain Financial assets measured at fair value (refer accounting policy regarding Financial instruments)

### Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities.

### 1.2 Use of Estimates and Judgments

In preparing the Financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/or results of operations.

The estimates and judgments used in the preparation of the Financial statements are continuously evaluated

by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

## 1.3 Summary of Significant accounting policies

### (a) Property, Plant & Equipment

#### Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other nonrefundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

#### Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

#### Depreciation and Amortisation

Depreciation on each part of an item of property, plant and equipment is provided using the Written Down Value Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows:

| Asset Class          | Useful Life taken |
|----------------------|-------------------|
| Factory Building     | 30 and 60 years   |
| Plant & Machinery    | 5 to 15 years     |
| Furniture & Fixtures | 10 years          |
| Vehicles             | 8 to 10 years     |
| Office Equipments    | 5 years           |
| Computers            | 3 years           |

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

#### Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

#### (b) Intangible Assets

##### Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

##### Amortization:

Intangible Assets with finite lives are amortized on a Written Down Value basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

| Asset Class       | Useful Life taken |
|-------------------|-------------------|
| Computer Software | 6 years           |

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

##### Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising

from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

#### (c) Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

#### Export Incentive:

Income from Export Incentives are recognised on an accrual basis to the extent the ultimate realisation is reasonably certain.

#### (d) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's gross carrying amount on initial recognition. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

**(e) 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.

**(f) Financial Instruments****(i) Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at - **amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in Other Income using the effective interest rate method.

**- fair value through profit and loss (FVTPL)**

Assets shall be measured at FVPL unless it is measured at amortised cost or at FVOCI. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in Other Income.

**- fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The movements in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/(losses). Interest income from these financial assets is included in Other Income using the effective interest rate method."

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

**Derecognition**

Financial assets are derecognised when contractual rights to receive cash flows from the financial assets expire or the financial assets are transferred together with all material risks and benefits.

**(ii) Financial Liabilities**

Financial liabilities are initially recognised at fair value if the Company has a contractual obligation to transfer cash or other financial assets to another party. Borrowings and payables are recognised net of directly attributable transaction costs. In subsequent periods, such liabilities are measured at amortised cost using the effective interest method.

**Derecognition**

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled, or has expired.

**(g) Impairment of Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

**(h) Fair Value Measurement**

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

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

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

**-Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs)

When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted prices in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

### (i) Trade Receivables

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

### (j) Investments

Financial assets are recognised and measured in accordance with Ind AS 109 - Financial Instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVPL), transaction costs that are attributable to the acquisition of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Investment in Equity Instruments are classified as FVPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income for investment in equity instruments which are not held for trading.

### (k) Foreign Currency Transactions

The Financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. A Company's functional currency is that of the primary economic environment in which the Company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

#### Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs

#### Non - Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**(l) Income tax**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current Tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities

**Deferred Tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except

when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**(m) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not disclosed in the Financial statements unless an inflow of economic benefits is probable.

**(n) Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**(o) Provision for Employee Benefits****Short Term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Post-Employment Benefits:****I. Defined Contribution plans:**

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

**Recognition and measurement of defined contribution plans:**

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**II. Defined benefit plans:****i) Provident fund scheme:**

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

**ii) Gratuity scheme:**

The Company has a Defined Benefit Plan namely Gratuity covering its employees. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

**Recognition and measurement of defined benefit plans:**

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

**(p) Lease accounting****Assets taken on lease:**

The Company mainly has lease arrangements for offices.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straightline method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

#### **Short-term leases and leases of low-value assets:**

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

#### **(q) Impairment of Non-financial Assets**

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets/cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

#### **(r) Segment reporting**

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance

#### **(s) Dividends Payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends

are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **(t) Earnings Per Share**

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

#### **(u) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### **(v) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### **(w) Rounding Of Amounts**

All amounts disclosed in the Financial statements and notes have been rounded off to the nearest Lakhs, unless otherwise stated.

#### **(x) Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

##### **(i) Income taxes**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### **(ii) Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in



production or from a change in market demand of the product or service output of the asset.

**(iii) Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**(iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets,

their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**(v) Right-of-use assets and lease liability**

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

# Notes to Financial Statements

## 2A. PROPERTY, PLANT AND EQUIPMENT

(Amount in Lakhs)

| Description of Assets                             | Freehold Land | Factory Building | Plant & Equipment | Furniture & Fixtures | Vehicles      | Office Equipment | Computers    | Total          |
|---|---------------|------------------|-------------------|----------------------|---------------|------------------|--------------|----------------|
| <b>Cost</b>                                       |               |                  |                   |                      |               |                  |              |                |
| Balance as at 31 <sup>st</sup> March, 2022        | 222.38        | 704.95           | 877.21            | 25.17                | 265.79        | 27.25            | 38.66        | 2161.41        |
| Additions during the year                         | 0.00          | 36.29            | 66.37             | 0.21                 | 17.42         | 2.36             | 4.54         | 127.20         |
| Disposals/Reclassifications during the year       | 0.00          | 0.00             | 0.00              | 0.00                 | 6.08          | 0.00             | 0.00         | 6.08           |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>  | <b>222.38</b> | <b>741.25</b>    | <b>943.59</b>     | <b>25.38</b>         | <b>277.12</b> | <b>29.61</b>     | <b>43.20</b> | <b>2282.53</b> |
| <b>Accumulated Depreciation</b>                   |               |                  |                   |                      |               |                  |              |                |
| Balance as at 31 <sup>st</sup> March, 2022        | 0.00          | 243.42           | 504.27            | 21.96                | 206.82        | 21.93            | 33.10        | 1031.50        |
| Depreciation expense for the year                 | 0.00          | 42.67            | 79.73             | 0.76                 | 23.06         | 1.76             | 5.09         | 153.05         |
| Eliminated on disposal of asset/reclassifications | 0.00          | 0.00             | 0.00              | 0.00                 | 5.78          | 0.00             | 0.00         | 5.78           |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>  | <b>0.00</b>   | <b>286.09</b>    | <b>583.99</b>     | <b>22.72</b>         | <b>224.10</b> | <b>23.68</b>     | <b>38.18</b> | <b>1178.77</b> |
| <b>Net Book Value</b>                             |               |                  |                   |                      |               |                  |              |                |
| Balance as at 31 <sup>st</sup> March, 2022        | 222.38        | 461.53           | 372.95            | 3.21                 | 58.96         | 5.32             | 5.57         | 1129.91        |
| <b>Balance as at 31<sup>st</sup> March, 2023</b>  | <b>222.38</b> | <b>455.16</b>    | <b>359.59</b>     | <b>2.66</b>          | <b>53.02</b>  | <b>5.93</b>      | <b>5.02</b>  | <b>1103.76</b> |

## 2B.

(Amount in Lakhs)

| Capital work-in-progress                         | Plant & Machinery | As at 31 <sup>st</sup> March, 2023 | Amount in CWIP for a Period of |             |             |                   | Total         |
|--|-------------------|------------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
|  |                   |                                    | Less than 1 year               | 1-2 years   | 2-3 Years   | More than 3 years |               |
| Projects in Progress                             | 171.36            | 171.36                             | 171.36                         | 0.00        | 0.00        | 0.00              | 171.36        |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>171.36</b>     | <b>171.36</b>                      | <b>171.36</b>                  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>       | <b>171.36</b> |

(Amount in Lakhs)

| Capital work-in-progress                         | Plant & Machinery | As at 31 <sup>st</sup> March, 2022 | Amount in CWIP for a Period of |             |             |                   | Total       |
|--|-------------------|------------------------------------|--------------------------------|-------------|-------------|-------------------|-------------|
|  |                   |                                    | Less than 1 year               | 1-2 years   | 2-3 Years   | More than 3 years |             |
| Projects in Progress                             | 0.00              | 0.00                               | 0.00                           | 0.00        | 0.00        | 0.00              | 0.00        |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>0.00</b>       | <b>0.00</b>                        | <b>0.00</b>                    | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>       | <b>0.00</b> |

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

## 3.

(Amount in Lakhs)

| Intangible Assets                          | Software | Total |
|--|----------|-------|
| Balance as at 31 <sup>st</sup> March, 2022 | 39.84    | 39.84 |
| Additions during the year                  | 0.00     | 0.00  |

## 3. (Contd.)

(Amount in Lakhs)

| Intangible Assets                                | Software     | Total        |
|--|--------------|--------------|
| Deductions during the year                       | 0.00         | 0.00         |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>39.84</b> | <b>39.84</b> |
| <b>Accumulated amortization</b>                  |              |              |
| <b>Balance as at 31<sup>st</sup> March, 2022</b> | <b>37.21</b> | <b>37.21</b> |
| Amortization expense for the year                | 0.65         | 0.65         |
| Deductions for the year                          | 0.00         | 0.00         |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>37.85</b> | <b>37.85</b> |
| <b>Net Carrying amount</b>                       |              |              |
| Balance as at 31 <sup>st</sup> March, 2022       | 2.64         | 2.64         |
| <b>Balance as at 31<sup>st</sup> March, 2023</b> | <b>1.99</b>  | <b>1.99</b>  |

**Notes:** The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

## 4. INVESTMENTS

(Amount in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Investment in Unquoted investments (Fully paid up)   |                                    |                                    |
| (At fair value through Profit & Loss)  |                                    |                                    |
| Investment in Unquoted Equity Shares   |                                    |                                    |
| Sarthak Energy Pvt Ltd   | 0.00                               | 75.00                              |
| (2,50,000 Equity Shares of face value ₹ 10/- each<br>(as at 31 <sup>st</sup> March, 2022 - 2,50,000 Equity Shares of FV 10/- each) |                                    |                                    |
| <b>Total</b>   | <b>0.00</b>                        | <b>75.00</b>                       |

## 5. OTHER FINANCIAL ASSETS

(Amount in Lakhs)

| Particulars                   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|-------------------------------|------------------------------------|------------------------------------|
| Unsecured and Considered Good |                                    |                                    |
| Sundry Deposits               | 149.91                             | 169.54                             |
| <b>Total</b>                  | <b>149.91</b>                      | <b>169.54</b>                      |

## 6. INVENTORIES

(Amount in Lakhs)

| Particulars                    | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------------------|------------------------------------|------------------------------------|
| Raw Materials                  | 1108.18                            | 2082.30                            |
| Finished Goods                 | 297.93                             | 685.21                             |
| Stores, Spares and Consumables | 48.35                              | 45.83                              |
| <b>Total</b>                   | <b>1454.46</b>                     | <b>2813.34</b>                     |

**7. TRADE RECEIVABLES**

(Amount in Lakhs)

| Particulars                               | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Unsecured:</b>                         |                                    |                                    |
| Considered good                           | 5336.16                            | 5712.56                            |
| Considered doubtful                       | 0.00                               | 0.00                               |
|   | <b>5336.16</b>                     | <b>5712.56</b>                     |
| <b>Less: Provision for doubtful debts</b> | (26.68)                            | (28.56)                            |
| <b>Total</b>                              | <b>5309.48</b>                     | <b>5684.00</b>                     |

**8. CASH AND CASH EQUIVALENTS**

(Amount in Lakhs)

| Particulars                      | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|----------------------------------|------------------------------------|------------------------------------|
| <b>Cash and Cash Equivalents</b> |                                    |                                    |
| Cash on hand                     | 6.33                               | 7.56                               |
| <b>Balances with Banks</b>       |                                    |                                    |
| In Current Accounts              | 726.97                             | 639.92                             |
| <b>Total</b>                     | <b>733.30</b>                      | <b>647.48</b>                      |

**9. OTHER BALANCES WITH BANKS**

(Amount in Lakhs)

| Particulars             | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|-------------------------|------------------------------------|------------------------------------|
| Term Deposits*          | 781.75                             | 127.62                             |
| Unpaid Dividend Account | 1.78                               | 1.45                               |
| <b>Total</b>            | <b>783.53</b>                      | <b>129.07</b>                      |

\*Margin money deposits ₹ 75.81/- (₹ 127.62 as at 31<sup>st</sup> March, 2022) are subject to first charge to secure the Company's Line of Credit Buyers' Credit and Bank Guarantees.

**10. OTHER CURRENT ASSETS**

(Amount in Lakhs)

| Particulars                                   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>(Unsecured, Considered good)</b>           |                                    |                                    |
| Advances to Suppliers                         | 692.97                             | 586.19                             |
| Balance with Government Authorities           | 564.79                             | 334.09                             |
| Advance Income Tax (Net of Provision for Tax) | 31.40                              | 31.40                              |
| Prepaid Expenses                              | 5.50                               | 3.69                               |
| <b>Others</b>                                 |                                    |                                    |
| Other Receivable                              | 0.00                               | 1.74                               |
| <b>Total</b>                                  | <b>1294.66</b>                     | <b>957.12</b>                      |

**11. EQUITY SHARE CAPITAL**

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Authorised:</b>                                    |                                    |                                    |
| 1,50,00,000 Equity Shares of ₹ 10 each                | 15,00,00,000                       | 15,00,00,000                       |
|   | <b>15,00,00,000</b>                | <b>15,00,00,000</b>                |
| <b>Issued, Subscribed and Paid up:</b>                |                                    |                                    |
| 1,36,89,750 Equity Shares of ₹ 10 Each Fully Paid up. | 13,68,97,500                       | 13,68,97,500                       |
|   | <b>13,68,97,500</b>                | <b>13,68,97,500</b>                |

**a) Reconciliation of number of shares:**

| Equity Shares                                   | As at 31 <sup>st</sup> March, 2023 |         | As at 31 <sup>st</sup> March, 2022 |         |
|---|------------------------------------|---------|------------------------------------|---------|
|   | Number                             | (₹)     | Number                             | (₹)     |
| Shares outstanding at the beginning of the year | 136.90                             | 1368.98 | 136.90                             | 1368.98 |
| Shares Issued during the year                   | 0.00                               | 0.00    | 0.00                               | 0.00    |
| Shares bought back during the year              | 0.00                               | 0.00    | 0.00                               | 0.00    |
| Shares outstanding at the end of the year       | 136.90                             | 1368.98 | 136.90                             | 1368.98 |

**b) Details of shareholders holding more than 5% of shares:**

| Name of Shareholders                            | As at 31 <sup>st</sup> March, 2023 |              | As at 31 <sup>st</sup> March, 2022 |              |
|---|------------------------------------|--------------|------------------------------------|--------------|
|   | No. of Shares held                 | % of Holding | No. of Shares held                 | % of Holding |
| <b>Equity Shares of ₹ 10 each held by:</b>      |                                    |              |                                    |              |
| 1. Shri Anoop Kumar Bansal                      | 11.45                              | 8.37%        | 11.45                              | 8.37%        |
| 2. Shri Kishore Kumar Bansal                    | 7.41                               | 5.41%        | 7.41                               | 5.41%        |
| 3. Shri Manoj Kumar Bansal                      | 37.83                              | 27.63%       | 37.83                              | 27.63%       |
| 4. Metal-Grace Injection Alloys Private Limited | 4.84                               | 3.54%        | 4.84                               | 3.54%        |

As per the records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**c) Details of shareholding of promoters:**

| Name of Shareholders                       | As at 31 <sup>st</sup> March, 2023 |                    | As at 31 <sup>st</sup> March, 2022 |                    |                     |
|--|------------------------------------|--------------------|------------------------------------|--------------------|---------------------|
|  | % of Holding                       | No. of Shares held | % of Holding                       | No. of Shares held | % Change in Holding |
| <b>Equity Shares of ₹ 10 each held by:</b> |                                    |                    |                                    |                    |                     |
| Anoop Kumar Bansal                         | 8.37%                              | 11.45              | 8.37%                              | 11.45              | -                   |
| Manoj Kumar Bansal                         | 27.63%                             | 37.83              | 27.63%                             | 37.83              | -                   |
| Kishore Kumar Bansal                       | 5.41%                              | 7.41               | 5.41%                              | 7.41               | -                   |
| Sanjay C Shah                              | 4.28%                              | 5.86               | 4.28%                              | 5.86               | -                   |

**d) Rights, preferences and restrictions:**

The Company has only one class of equity shares having a par value of ₹ 10 Per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. the distribution will be in proportion to the no. of equity shares held by shareholder.

- e)** No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/year end.
- f)** No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**12. OTHER EQUITY****(Amount in Lakhs)**

| <b>Particulars</b>   | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|--|--|--|
| Securities Premium Reserve   | 433.91                                   | 433.91                                   |
| Capital Investment Subsidy   |  |  |
| As per Opening Balance   | 0.00                                     | 0.00                                     |
| <b>Add:</b> Addition During the Year   | 0.00                                     | 0.00                                     |
| <b>Less:</b> Depreciation Adjustments  | 0.00                                     | 0.00                                     |
| Closing Balance  | 0.00                                     | 0.00                                     |
| <b>Retained Earnings</b>   |  |  |
| As per last Balance Sheet  | 5990.80                                  | 3507.40                                  |
| <b>Add:</b> Net Profit after Tax transferred from the Statement of Profit and Loss | 2976.35                                  | 2748.11                                  |
| <b>Less:</b> Other Comprehensive income (net of tax)                               | (3.04)                                   | 6.07                                     |
| <b>Less:</b> Appropriations  | 0.00                                     | (15.15)                                  |
| Dividend distributed during the year   | 273.80                                   | 273.80                                   |
| <b>Closing Balance</b>   | <b>8696.39</b>                           | <b>5990.80</b>                           |
| <b>Total</b>   | <b>9130.30</b>                           | <b>6424.71</b>                           |

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**Proposed dividend**

The Board of Directors at its meeting held on 26<sup>th</sup> May, 2023 have recommended a payment of final dividend of ₹ 1 per equity share of face value of ₹ 10 each for the financial year ended 31<sup>st</sup> March, 2023. The same amounts to ₹ 1,36,89,750. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**13. BORROWINGS (NON-CURRENT)****(Amount in Lakhs)**

| <b>Particulars</b>                                | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|---|--|--|
| Secured Term Loan:                                |  |  |
| From Banks  | 0.00                                     | 426.31                                   |
| <b>Less:</b> Current maturities of Long term Debt | 0.00                                     | 168.16                                   |
| <b>Total</b>                                      | <b>0.00</b>                              | <b>258.15</b>                            |

**14. PROVISIONS**

(Amount in Lakhs)

| Particulars                     | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---------------------------------|------------------------------------|------------------------------------|
| Provision for Employee Benefits |                                    |                                    |
| Provision for Gratuity          | 84.99                              | 72.11                              |
| <b>Total</b>                    | <b>84.99</b>                       | <b>72.11</b>                       |

**15. DEFERRED TAX LIABILITIES (NET)**

(Amount in Lakhs)

| Particulars  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>Deferred Tax Liabilities</b>  |                                    |                                    |
| Arising on account of:   |                                    |                                    |
| Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961 | (6.17)                             | (1.04)                             |
| Provision for Employee Defined Benefit obligations   | 23.96                              | 22.08                              |
| <b>Deferred Tax Assets</b>   |                                    |                                    |
| Arising on account of:   |                                    |                                    |
| Allowances for Doubtful debt and Advances  | (6.72)                             | (7.19)                             |
| <b>Total</b>   | <b>11.08</b>                       | <b>13.85</b>                       |

**16. BORROWINGS (CURRENT)**

(Amount in Lakhs)

| Particulars                                      | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Current maturities of Long-term debts/borrowings |                                    |                                    |
| <b>Term Loans</b>                                |                                    |                                    |
| <b>Secured</b>                                   |                                    |                                    |
| From Banks (Refer note no 13)                    | 0.00                               | 168.16                             |
| <b>Secured Cash Credit</b>                       |                                    |                                    |
| From Banks                                       | 0.00                               | 1806.76                            |
| <b>Total</b>                                     | <b>0.00</b>                        | <b>1974.92</b>                     |

**Secured:**

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.

**17. TRADE PAYABLES**

(Amount in Lakhs)

| Particulars                 | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|-----------------------------|------------------------------------|------------------------------------|
| (a) Dues to MSME            | 0.00                               | 0.00                               |
| (b) Dues to Other than MSME | 52.23                              | 1028.15                            |
| <b>Total</b>                | <b>52.23</b>                       | <b>1028.15</b>                     |

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

(Amount in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year:   |                                    |                                    |
| Principal   | -                                  | -                                  |
| Interest  | -                                  | -                                  |
| Total   | -                                  | -                                  |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.   | -                                  | -                                  |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.   | -                                  | -                                  |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year.   | -                                  | -                                  |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | -                                  | -                                  |

## 18. OTHER CURRENT LIABILITIES

(Amount in Lakhs)

| Particulars            | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|------------------------|------------------------------------|------------------------------------|
| Advance from customers | 9.50                               | 24.78                              |
| Statutory dues payable | 16.45                              | 15.84                              |
| Unpaid dividend        | 1.72                               | 1.42                               |
| <b>Total</b>           | <b>27.67</b>                       | <b>42.03</b>                       |

## 19. PROVISIONS

(Amount in Lakhs)

| Particulars                                | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| <b>Provision for Employee Benefits</b>     |                                    |                                    |
| Provision for Gratuity                     | 10.22                              | 7.52                               |
| Provision for Salary, Bonus & Leave Salary | 75.27                              | 110.27                             |
| <b>Total</b>                               | <b>85.50</b>                       | <b>117.79</b>                      |

## 20. CURRENT TAX LIABILITIES (NET)

(Amount in Lakhs)

| Particulars                            | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Tax Payable (Net of Advance Tax & TDS) | 237.94                             | 307.41                             |
| <b>Total</b>                           | <b>237.94</b>                      | <b>307.41</b>                      |



**21. REVENUE FROM OPERATIONS**

(Amount in Lakhs)

| Particulars                   | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|-------------------------------|--|--|
| (i) Sales of products         |  |  |
| Home Market (Net of Returns)  | 33876.21                                   | 39203.60                                   |
| Exports                       | 6759.28                                    | 6325.17                                    |
|                               | <b>40635.49</b>                            | <b>45528.76</b>                            |
| <b>Less: Discounts</b>        | 0.00                                       | 0.00                                       |
|                               | <b>40635.49</b>                            | <b>45528.76</b>                            |
| (ii) Other Operating Revenues |  |  |
| Sale of Scrap                 | 124.48                                     | 171.44                                     |
| Export Incentives             | 82.62                                      | 29.60                                      |
| <b>Total</b>                  | <b>40842.59</b>                            | <b>45729.80</b>                            |

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

(Amount in Lakhs)

| Particulars                                 | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Revenue as per contracted price             | 40635.49                                   | 45528.76                                   |
| <b>Less: Discounts</b>                      | 0.00                                       | 0.00                                       |
| <b>Revenue from contract with customers</b> | <b>40635.49</b>                            | <b>45528.76</b>                            |

**22. OTHER INCOME**

(Amount in Lakhs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Interest Inome from financial assets at amortised cost</b>                            |  |  |
| On bank deposits   | 43.32                                      | 5.64                                       |
| Other Interest   | 0.00                                       | 0.64                                       |
| <b>Other non-operating Income (Net of expenses directly attributable to such income)</b> |  |  |
| Insurance Claim  | 54.59                                      | 0.96                                       |
| Miscellaneous income   | 0.36                                       | 0.00                                       |
| <b>Other gains and losses</b>  |  |  |
| Net Gain on foreign currency transactions & translation                                  | 255.23                                     | 87.16                                      |
| Profit on Sale of Investments  | 25.38                                      | 1.52                                       |
| Profit on Sale of Property, Plant & Equipment  | 1.60                                       | 0.00                                       |
| <b>Total</b>   | <b>380.47</b>                              | <b>95.90</b>                               |

**23. COST OF MATERIALS CONSUMED**

(Amount in Lakhs)

| Particulars                           | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---------------------------------------|--|--|
| <b>Raw materials</b>                  |  |  |
| Opening stock                         | 2082.30                                    | 1971.67                                    |
| <b>Add: Purchases of Raw Material</b> | 32251.41                                   | 37824.38                                   |
| <b>Less: Closing stock</b>            | 1108.18                                    | 2082.30                                    |
| <b>Total</b>                          | <b>33225.53</b>                            | <b>37713.75</b>                            |

**24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

(Amount in Lakhs)

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| <b>Inventories at the beginning of the year</b>         |  |  |
| Finished Goods  | 685.21                                     | 909.78                                     |
| <b>(a)</b>  | <b>685.21</b>                              | <b>909.78</b>                              |
| <b>Inventories at the end of the year</b>               |  |  |
| Finished goods  | 297.93                                     | 685.21                                     |
| <b>(b)</b>  | <b>297.93</b>                              | <b>685.21</b>                              |
| <b>Net (Increase)/Decrease in Inventories (a) - (b)</b> | <b>387.28</b>                              | <b>224.57</b>                              |

**25. EMPLOYEE BENEFITS EXPENSE**

(Amount in Lakhs)

| Particulars                               | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Salaries, wages and benefits              | 714.69                                     | 725.98                                     |
| Contribution to provident and other funds | 43.51                                      | 28.88                                      |
| Staff welfare expenses                    | 24.42                                      | 16.75                                      |
| <b>Total</b>                              | <b>782.62</b>                              | <b>771.61</b>                              |

**26. FINANCE COSTS**

(Amount in Lakhs)

| Particulars                            | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Interest expense</b>                |  | -  |
| - Cash credit facilities/buyers credit | 90.94                                      | 313.24                                     |
| - Term Loans from Banks                | 2.90                                       | 40.75                                      |
| - On Other Loans                       | 0.00                                       | 8.57                                       |
| - Others                               | 3.26                                       | 0.00                                       |
| Other Borrowing Costs                  | 36.88                                      | 37.52                                      |
| <b>Total</b>                           | <b>133.98</b>                              | <b>400.09</b>                              |

**2 & 3 Depreciation and Amortisation Expense**

(Amount in Lakhs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Depreciation on Property, Plant & equipment & Right of Use and Amortisation of Intangible Assets | 153.70                                     | 168.63                                     |
| <b>Total</b>   | <b>153.70</b>                              | <b>168.63</b>                              |

**27. OTHER EXPENSES**

(Amount in Lakhs)

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Consumption of Stock, Stores, Spares, Oil & Lubricant         | 1106.78                                    | 1459.05                                    |
| Power and Fuel  | 81.25                                      | 109.62                                     |
| Security Charges  | 16.30                                      | 13.48                                      |
| Calcium Management  | 8.56                                       | 2.43                                       |
| Freight and handling Charges                                  | 757.44                                     | 895.26                                     |
| Brokerage and Commission                                      | 34.53                                      | 51.81                                      |
| Advertisement and Sales Promotion Expenses                    | 36.60                                      | 13.42                                      |
| Legal and Professional expenses                               | 42.55                                      | 51.21                                      |
| Travelling & Conveyance                                       | 39.23                                      | 20.39                                      |
| Rent Expenses   | 4.75                                       | 64.18                                      |
| Repairs & Maintenance   |  |  |
| - Others  | 25.08                                      | 20.83                                      |
| - Machinery   | 86.83                                      | 104.27                                     |
| Rates, Fees and Taxes   | 10.87                                      | 4.99                                       |
| Testing and Sampling Charges                                  | 4.62                                       | 12.41                                      |
| Insurance   | 41.13                                      | 61.44                                      |
| Printing, Stationery and Communication Expenses               | 12.80                                      | 8.48                                       |
| Corporate Social Responsibility Expenses and Other Donations* | 35.51                                      | 18.43                                      |
| <b>Payment to Auditors</b>                                    |  |  |
| - Statutory Audit Fees  | 3.50                                       | 3.50                                       |
| - In other Capacity   | 0.00                                       | 0.00                                       |
| For Tax Audit   | 1.50                                       | 1.50                                       |
| For other matters   | 0.00                                       | 0.00                                       |
| Provision for Doubtful Debts                                  | 1.88                                       | 9.38                                       |
| Sundry Balances Written Off                                   | 59.02                                      | 270.14                                     |
| Miscellaneous Expenses  | 27.79                                      | 32.78                                      |
| <b>Total</b>  | <b>2438.52</b>                             | <b>3229.01</b>                             |

**\*Note:** Corporate Social Responsibility Expenses

**A**

(Amount in Lakhs)

| Particulars                                       | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Gross Amount Required to be spent by the Company: | 35.40                                      | 16.77                                      |

**B**

(Amount in Lakhs)

| Amount spent during the year/period on: | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| i Construction/Acquisition of assets    | 0.00                                       | 0.00                                       |
| ii Purpose other than above             | 35.51                                      | 17.42                                      |

**C**

(Amount in Lakhs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Related party transactions in relation to Corporate Social Responsibility: | -  | -  |

**D**

(Amount in Lakhs)

| Provision movement during the year/Period: | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Opening provision                          | 0.00                                       | 14.09                                      |
| Addition during the year/Period            | 35.40                                      | 16.77                                      |
| Utilised during the year/Period            | 35.51                                      | 31.51                                      |
| Closing provision                          | (0.11)                                     | (0.66)                                     |

## 28. CONTINGENT LIABILITIES

(Amount in Lakhs)

| Claims against the Company not acknowledged as debts | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--|------------------------------------|------------------------------------|
| Demand Raised By Income Tax Deptt.                   | 10.16                              | 10.16                              |

## 29. ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, see Note 25

### A. Defined Contribution Plan:

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

(Amount in Lakhs)

| Claims against the Company not acknowledged as debts                             | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| Provident Fund and other Funds   | 43.51                                      | 28.88                                      |
| <b>Total (included in Note 28 - 'Contribution to provident and other funds')</b> | <b>43.51</b>                               | <b>28.88</b>                               |

**B. Defined Benefit Obligation:**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/Company policy multiplied for the number of years of service.

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

| Actuarial study analysis               | Gratuity    |             |
|--|-------------|-------------|
|  | 31-Mar-2023 | 31-Mar-2022 |
| <b>Principal actuarial assumptions</b> |             |             |
| Discount rate                          | 7.38%       | 7.18%       |
| Range of compensation increase         | 10.00%      | 10.00%      |
| <b>Withdrawal Rate:</b>                |             |             |
| - Younger ages                         | 5.00%       | 5.00%       |
| - Older ages                           | 2.00%       | 2.00%       |

(Amount in Lakhs)

| Actuarial study analysis                                    | Gratuity     |              |
|---|--------------|--------------|
|   | 31-Mar-2023  | 31-Mar-2022  |
| Components of income statement charge                       |              |              |
| Current service cost  | 13.92        | 12.87        |
| Interest cost   | 5.72         | 4.69         |
| Recognition of past service cost                            |              |              |
| <b>Immediate recognition of (gain)/losses</b>               | <b>19.64</b> | <b>17.56</b> |
| Settlement/curtailment/termination loss                     |              |              |
| Total charged to statement of profit or loss                | 19.64        | 17.56        |
| Total charged to Retained Earnings                          | 0.00         | 0.00         |
| <b>Movements in net liability/(asset)</b>                   |              |              |
| Net liability at the beginning of the year                  | 79.63        | 70.18        |
| Employer contributions                                      |              |              |
| Total expense recognised in the statement of profit or loss | 19.64        | 17.56        |
| Total expense recognised in the Retained Earnings           |              |              |
| Total amount recognised in OCI                              | 4.06         | (8.11)       |
| <b>Net liability at the end of the year</b>                 | <b>95.21</b> | <b>79.63</b> |
| <b>Reconciliation of benefit obligations</b>                |              |              |
| Obligation at start of the year                             | 79.63        | 70.18        |
| Current service cost  | 13.92        | 12.87        |
| Net Interest cost   | 5.72         | 4.69         |
| Benefits paid directly by the Group                         | 4.06         | (8.11)       |
| <b>Defined benefits obligations at the end of the year</b>  | <b>95.21</b> | <b>79.63</b> |

| Re-measurements of defined benefit plans                        | 31-Mar-2023 | 31-Mar-2022 |
|---|-------------|-------------|
| Actuarial gain/(loss) due to changes in demographic assumptions | 0.00        | 0.00        |
| Actuarial gain/(loss) due to changes in financial assumptions   | (2.50)      | (5.54)      |
| Actuarial gain/(loss) on account of experience adjustments      | (1.56)      | (2.57)      |
| Total actuarial gain/(loss) recognised in OCI                   | 4.06        | (8.11)      |

### C. Sensitivity analysis of significant assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(Amount in Lakhs)

| Sensitivity of DBO, Service Cost, and P&L Account | Gratuity          |           |                   |           |
|---|-------------------|-----------|-------------------|-----------|
|   | 31-Mar-2023       |           | 31-Mar-2022       |           |
|   | % increase in DBO | Liability | % increase in DBO | Liability |
| <b>Discount rate</b>                              |                   |           |                   |           |
| + 0.5% discount rate                              | (6.16%)           | 89.34     | (6.52%)           | 74.44     |
| - 0.5% discount rate                              | 6.81%             | 101.69    | 7.22%             | 85.38     |
| <b>Salary increase</b>                            |                   |           |                   |           |
| + 0.5% salary growth                              | 5.62%             | 100.57    | 5.93%             | 84.35     |
| - 0.5% salary growth                              | (5.21%)           | 90.25     | (5.47%)           | 75.28     |

#### Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

## 30. RELATED PARTY DISCLOSURES AS PER IND AS 24

### 1) Related parties with whom transactions have taken place during the year and its relationship:

| Name of the related parties | Designation/Relationship          |
|-----------------------------|-----------------------------------|
| Shri Anoop Kumar Bansal     | Key Management Personnel          |
| Shri Kishore Kumar Bansal   | Key Management Personnel          |
| Shri Sanjay C. Shah         | Key Management Personnel          |
| Shri Mayur Bhatt            | Key Management Personnel          |
| Shri Sunil Kumar Agarwal    | Key Management Personnel          |
| Shri Anirudh Singhal        | Key Management Personnel          |
| Sunil Dutt Bhatt            | Key Management Personnel          |
| Rama Kohli                  | Key Management Personnel          |
| Shri Manoj Kumar Bansal     | Relative Key Management Personnel |
| Shri Gaurav Agarwal         | Relative Key Management Personnel |
| Shri Samarth Bansal         | Relative Key Management Personnel |
| Shri Sarthak Bansal         | Relative Key Management Personnel |

**1) Related parties with whom transactions have taken place during the year and its relationship: (Contd.)**

| <b>Name of the related parties</b> | <b>Designation/Relationship</b>              |
|------------------------------------|--|
| Sakshi Bansal                      | Relative Key Management Personnel            |
| Shri Sagar Shah                    | Relative Key Management Personnel            |
| Shalini Shah                       | Relative Key Management Personnel            |
| Shreya Agarwal                     | Relative Key Management Personnel            |
| Jaya Bhatt                         | Relative Key Management Personnel            |
| Bansal Brothers (Trading Div.)     | Enterprises Over Which Significant Influence |
| Bansal Brothers (Fad)              | Enterprises Over Which Significant Influence |

**2) Transactions during the year****(Amount in Lakhs)**

| <b>Particulars</b>                 | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|------------------------------------|--|--|
| <b>Remuneration</b>                |  |  |
| Shri Anoop Kumar Bansal            | 39.00                                    | 42.00                                    |
| Shri Sanjay C. Shah                | 39.00                                    | 42.00                                    |
| Shri Mayur Bhatt                   | 13.00                                    | 14.00                                    |
| <b>Factory Shed &amp; Building</b> |  |  |
| Bansal Brothers (Trading Div.)     | 3.88                                     | 2.11                                     |
| <b>Plant &amp; Machinery</b>       |  |  |
| Bansal Brothers (Trading Div.)     | 0.00                                     | 0.25                                     |
| <b>President Salary</b>            |  |  |
| Shri Manoj Kumar Bansal            | 39.00                                    | 42.00                                    |
| <b>Sale of shares of SEPL</b>      |  |  |
| Shri Anoop Kumar Bansal            | 15.06                                    | 0.00                                     |
| Shri Manoj Kumar Bansal            | 70.26                                    | 0.00                                     |
| Shri Kishore Kumar Bansal          | 15.06                                    | 0.00                                     |
| <b>Sitting Fees</b>                |  |  |
| Shri Sunil Kumar Agarwal           | 0.70                                     | 0.40                                     |
| Shri Dwadasi Venkata Giri          | 0.80                                     | 0.40                                     |
| Shri Sunil Dutt Bhatt              | 0.80                                     | 0.40                                     |
| Ms Rama Kohli                      | 0.60                                     | 0.20                                     |
| <b>Sales</b>                       |  |  |
| Bansal Brothers (Trading Div.)     | 1426.75                                  | 2553.65                                  |
| Bansal Brothers (FAD)              | 38.12                                    | 447.25                                   |
| Bansal Brothers (Rasmada)          | 113.95                                   | 0.00                                     |
| <b>Purchase Raw Material</b>       |  |  |
| Bansal Brothers (FAD)              | 2273.66                                  | 2600.91                                  |
| Bansal Brothers (Trading Div.)     | 2.13                                     | 0.00                                     |
| Bansal Brothers (Rasmada)          | 314.55                                   | 0.00                                     |

**2) Transactions during the year** (Contd.)

(Amount in Lakhs)

| Particulars   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| <b>Pur of Cons./Packing Goods</b>                     |                                    |                                    |
| Bansal Brothers (Trading Div.)                        | 2.79                               | 4.72                               |
| Bansal Brothers (FAD.)                                | 0.00                               | 2.18                               |
| <b>Repair &amp; Maint.Factory Shed &amp; Building</b> |                                    |                                    |
| Bansal Brothers (Trading Div.)                        | 0.93                               | 0.61                               |
| <b>Repair &amp; Maint.Machine</b>                     |                                    |                                    |
| Bansal Brothers (Trading Div.)                        | 0.74                               | 1.14                               |
| <b>Sale of Fixed Asset &amp; Consumables</b>          |                                    |                                    |
| Bansal Brothers (FAD)                                 | 0.00                               | 330.36                             |
| <b>Staff Salary</b>                                   |                                    |                                    |
| Shri Gaurav Agarwal                                   | 39.00                              | 42.00                              |
| Shri Anirudh Singhal                                  | 16.90                              | 17.40                              |
| Shri Samarth Bansal                                   | 35.75                              | 35.00                              |
| Shri Sarthak Bansal                                   | 35.75                              | 35.00                              |
| Shri Sagar Shah                                       | 16.25                              | 14.00                              |
| Shalini Shah  | 7.20                               | 7.80                               |
| Shreya Agarwal  | 6.50                               | 3.67                               |
| Jaya Bhatt  | 7.80                               | 8.40                               |
| Mr. Pratik Jain                                       | 5.03                               | 3.36                               |
|   | <b>4580.94</b>                     | <b>6251.21</b>                     |

**3) Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. No balances in respect of the related parties has been provided for written off/written back, except what is stated above.

Related party relationship is as identified by the management and relied upon by the auditors.

**31. FINANCIAL INSTRUMENTS**

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

**A) Calculation of fair values**

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- i The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- ii Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.



## Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:

### a. Financial Assets

Instruments carried at fair value

(Amount in Lakhs)

|  | FVOCI<br>(Equity<br>instruments) | FVOCI<br>(Other<br>instruments) | FVTPL       | Instruments<br>carried<br>at amortized<br>cost* | Total<br>Fair<br>Value | Total<br>Carrying<br>Value |
|--|----------------------------------|---------------------------------|-------------|---|------------------------|----------------------------|
| <b>As at 31<sup>st</sup> March, 2022</b> |                                  |                                 |             |   |                        |                            |
| (i) Investments                          | 75.00                            | 0.00                            | 0.00        | 0.00  | 75.00                  | 75.00                      |
| (ii) Other financial assets              | 0.00                             | 0.00                            | 0.00        | 169.54  | 169.54                 | 169.54                     |
| (iii) Trade receivables                  | 0.00                             | 0.00                            | 0.00        | 5684.00   | 5684.00                | 5684.00                    |
| (iv) Cash and cash equivalents           | 0.00                             | 0.00                            | 0.00        | 647.48  | 647.48                 | 647.48                     |
| (v) Other Balances with Banks            | 0.00                             | 0.00                            | 0.00        | 129.07  | 129.07                 | 129.07                     |
| <b>Total</b>                             | <b>75.00</b>                     | <b>0.00</b>                     | <b>0.00</b> | <b>6630.09</b>                                  | <b>6705.09</b>         | <b>6705.09</b>             |
| <b>As at 31<sup>st</sup> March, 2023</b> |                                  |                                 |             |   |                        |                            |
| (i) Investments                          | 0.00                             | 0.00                            | 0.00        | 0.00  | 0.00                   | 0.00                       |
| (ii) Other financial assets              | 0.00                             | 0.00                            | 0.00        | 149.91  | 149.91                 | 149.91                     |
| (iii) Trade receivables                  | 0.00                             | 0.00                            | 0.00        | 5305.71   | 5305.71                | 5305.71                    |
| (iv) Cash and cash equivalents           | 0.00                             | 0.00                            | 0.00        | 733.30  | 733.30                 | 733.30                     |
| (v) Other Balances with Banks            | 0.00                             | 0.00                            | 0.00        | 783.53  | 783.53                 | 783.53                     |
| <b>Total</b>                             | <b>0.00</b>                      | <b>0.00</b>                     | <b>0.00</b> | <b>6972.46</b>                                  | <b>6972.46</b>         | <b>6972.46</b>             |

### b. Financial Liabilities

|  | Fair value through<br>profit & loss | At amortized<br>cost* | Total carrying<br>amount | Total Fair<br>Value |
|--|-------------------------------------|-----------------------|--------------------------|---------------------|
| <b>As at 31<sup>st</sup> March, 2022</b> |                                     |                       |                          |                     |
| (i) Borrowings                           | 0.00                                | 2233.08               | 2233.08                  | 2233.08             |
| (ii) Trade payables                      | 0.00                                | 1028.15               | 1028.15                  | 1028.15             |
| <b>Total</b>                             | <b>0.00</b>                         | <b>3261.23</b>        | <b>3261.23</b>           | <b>3261.23</b>      |
| <b>As at 31<sup>st</sup> March, 2023</b> |                                     |                       |                          |                     |
| (i) Borrowings                           | 0.00                                | 0.00                  | 0.00                     | 0.00                |
| (ii) Trade payables                      | 0.00                                | 52.23                 | 52.23                    | 52.23               |
| <b>Total</b>                             | <b>0.00</b>                         | <b>52.23</b>          | <b>52.23</b>             | <b>52.23</b>        |

\*The carrying value and fair value approximation, if any.

### c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows:

- **Level 1:** It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 measured at fair value:

| As at 31 <sup>st</sup> March, 2022    | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|---------|---------|---------|-------|
| <b>Financial Assets at Fair Value</b> |         |         |         |       |
| Investments in Unquoted Equity Shares | 0.00    | 0.00    | 75.00   | 75.00 |

| As at 31 <sup>st</sup> March, 2023    | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|---------|---------|---------|-------|
| <b>Financial Assets at Fair Value</b> |         |         |         |       |
| Investments in Unquoted Equity Shares | 0.00    | 0.00    | 0.00    | 0.00  |

### 32. SEGMENT REPORTING

The Managing Director & CEO, and Executive Director & CFO are identified as Chief Operating Decision Maker of the Company. They are responsible for allocating resources and assessing the performance of the operating segments. Accordingly, they have determined "Cord Wire" as its operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statement as at and for the year ended 31<sup>st</sup> March, 2023.

#### Geographical Information

| (Amount in Lakhs)  |  |  |
|--|--|--|
| a. Revenue from external customers   | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
| Attributed to the Company's country of domicile, India   | 33876.21                                   | 39203.60                                   |
| Attributed to all foreign countries  | 6759.28                                    | 6325.17                                    |
| <b>Total</b>   | <b>40635.49</b>                            | <b>45528.76</b>                            |
| b. Revenues from transactions with a customers exceeding 10% of the Company's sales in current as well as previous year. | 16873.21                                   | 23476.92                                   |

| (Amount in Lakhs)   |  |  |
|---|--|--|
| c. Non-current assets (excluding Deferred/Current Tax and Financial Assets) | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
| Located in the Company's country of domicile, India                         | 1277.11                                    | 1132.55                                    |
| Located in all foreign countries  | 0.00                                       | 0.00                                       |
| <b>Total</b>  | <b>1277.11</b>                             | <b>1132.55</b>                             |

### 33. INCOME TAX

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

| (Amount in Lakhs)  |  |  |
|--|--|--|
| Particulars  | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
| (i) Tax expense recognised in the statement of profit and loss |  |  |
| Current Tax on profits for the year                            | 1050.00                                    | 845.42                                     |
| Adjustments for current tax of prior periods                   | 0.00                                       | 0.00                                       |
| <b>Total Current Tax Expense</b>                               | <b>1050.00</b>                             | <b>845.42</b>                              |

**33. Income tax** (Contd.)

(Amount in Lakhs)

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|---|--|--|
| Deferred Tax charge/(credit) P&L                                  | (3.79)                                     | (8.87)                                     |
| (Decrease) increase in deferred tax liabilities                   | 0.00                                       | 0.00                                       |
| Total Deferred Tax Expense  | (3.79)                                     | (8.87)                                     |
| Income tax expense recognised in the statement of profit and loss | 1046.21                                    | 836.55                                     |
| (ii) Tax expense recognised in OCI                                |  |  |
| Deferred Tax:   |  |  |
| Deferred Tax expense on Remeasurement of defined benefit plans    | 1.02                                       | (2.04)                                     |
| Income tax expense recognised in the statement of profit and loss | 1.02                                       | (2.04)                                     |

(Amount in Lakhs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2023 | Year ended<br>31 <sup>st</sup> March, 2022 |
|--|--|--|
| <b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b> |  |  |
| Enacted income tax rate in India applicable to the Company (in %)                              | 25.168%                                    | 25.168%                                    |
| Profit/(Loss) before income tax expense  | 4101.44                                    | 3318.05                                    |
| Current tax expense on Profit/(loss) before tax expenses at enacted income tax rate in India   | 1032.25                                    | 835.09                                     |
| Tax effects of:  |  |  |
| Tax effect on non-deductible expenses  | 14.90                                      | 0.35                                       |
| Effect of Income which is taxed at special rates   | (2.70)                                     | (0.38)                                     |
| Effect of difference in WDV of Assets  | 5.13                                       | 10.04                                      |
| Other items  | (3.37)                                     | (8.55)                                     |
| <b>Total</b>   |  |  |
| <b>Income tax expense</b>  | <b>1046.21</b>                             | <b>836.55</b>                              |

Consequent to reconciliation items shown above, the effective tax rate is 25.51 (Previous year: 25.21%).

**The details of Income tax Assets/Liabilities are as follows:**

| Particulars                                     | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|---|------------------------------------|------------------------------------|
| Advance Income Tax (Net of Provision for Tax)   | 31.40                              | 31.40                              |
| Tax Payable (Net of Advance Tax & TDS)          | 237.94                             | 307.41                             |
| Net Income Tax Liability at the end of the year | 206.53                             | 276.00                             |

**34. EARNINGS PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

**i) Profit attributable to Equity holders of Company****(Amount in Lakhs)**

| <b>Particulars</b>  | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|---|--|--|
| Profit attributable to equity share holders of the Company for basic and diluted earnings per share | 2976.35                                  | 2748.11                                  |

**ii) Weighted average number of ordinary shares****(Amount in Lakhs)**

| <b>Particulars</b>   | <b>As at 31<sup>st</sup> March, 2023</b> | <b>As at 31<sup>st</sup> March, 2022</b> |
|--|--|--|
| Equity shares outstanding as at year end   | 136.90                                   | 136.90                                   |
| Weighted average number of shares as at year end for basic earnings per shares   | 136.90                                   | 136.90                                   |
| Weighted average number of shares as at year end for diluted earnings per shares | 136.90                                   | 136.90                                   |
| Basic earnings per share   | 21.74                                    | 20.07                                    |
| Diluted earnings per share   | 21.74                                    | 20.07                                    |

**35. FINANCIAL RISK MANAGEMENT**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company has exposure to the following risks arising from financial instruments:

- a. Credit risk;
- b. Liquidity risk;
- c. Market risk; and
- d. Interest rate risk

**(A) Credit risk**

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations. To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviors. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

**Credit risk is managed at Company level.**

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and

management is performed on a Company basis for each class of financial instruments with different characteristics.

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default

is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 90 days for the 31<sup>st</sup> March 2023, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

#### Ageing of account receivables at Gross Level: Undisputed Trade receivables -considered good

(Amount in Lakhs)

| Particulars        | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------|------------------------------------|------------------------------------|
| 0-6 months         | 5152.37                            | 5566.10                            |
| 6 Months to 1 Year | 100.81                             | 98.69                              |
| 1-2 Year           | 35.21                              | 47.77                              |
| 2-3 Year           | 47.77                              | 0.00                               |
| More than 3 Years  | 0.00                               | 0.00                               |
| <b>Total</b>       | <b>5336.16</b>                     | <b>5712.56</b>                     |

#### Reconciliation of loss allowance - Trade Receivables

(Amount in Lakhs)

| Particulars                    | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|--------------------------------|------------------------------------|------------------------------------|
| Opening balance                | 28.56                              | 19.19                              |
| Allowance made during the year | 1.88                               | 9.38                               |
| Closing balance                | 30.44                              | 28.56                              |

The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company believes that the current value of trade receivables reflects the fair value/recoverable values.

#### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to

managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**(Amount in Lakhs)**

| Particulars                          | As at 31 <sup>st</sup> March, 2023 |                        |                  | As at 31 <sup>st</sup> March, 2022 |                        |                  |
|--------------------------------------|------------------------------------|------------------------|------------------|------------------------------------|------------------------|------------------|
|                                      | Carrying amount                    | Contractual cash flows |                  | Carrying amount                    | Contractual cash flows |                  |
|                                      |                                    | Upto 1 year            | More than 1 year |                                    | Upto 1 year            | More than 1 year |
| Non-derivative financial liabilities |                                    |                        |                  |                                    |                        |                  |
| Term Loans                           | 0.00                               | 0.00                   | 0.00             | 426.31                             | 168.16                 | 258.15           |
| Short Term Borrowings                | 0.00                               | 0.00                   | 0.00             | 1806.76                            | 1806.76                | 0.00             |
| Trade and Other Payables             | 52.23                              | 52.23                  | 0.00             | 1028.15                            | 1028.15                | 0.00             |
| Other Current Liabilities            | 27.67                              | 27.67                  | 0.00             | 42.03                              | 42.03                  | 0.00             |

**Ageing of trade payables at Gross Level:****(Amount in Lakhs)**

| Particulars       | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
|-------------------|------------------------------------|------------------------------------|
| 0-1 Year          | 44.14                              | 1015.98                            |
| 1-2 Year          | 8.09                               | 0.00                               |
| 2-3 Year          | 0.00                               | 12.17                              |
| More than 3 Years | 0.00                               | 0.00                               |
| <b>Total</b>      | <b>52.23</b>                       | <b>1028.15</b>                     |

**(C) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**(i) Foreign Currency Risk**

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

(Amount in Lakhs)

| Particulars           | As at 31 <sup>st</sup> March, 2023 |                     |                    | As at 31 <sup>st</sup> March, 2022 |                     |                    |
|-----------------------|------------------------------------|---------------------|--------------------|------------------------------------|---------------------|--------------------|
|                       | INR                                | EURO<br>(in Rupees) | USD<br>(in Rupees) | INR                                | EURO<br>(in Rupees) | USD<br>(in Rupees) |
| Financial Assets      |                                    |                     |                    |                                    |                     |                    |
| Trade Receivables     | 4226.32                            | 127.69              | 972.78             | 3675.49                            | 0.00                | 2037.07            |
| <b>Total</b>          | <b>4226.32</b>                     | <b>127.69</b>       | <b>972.78</b>      | <b>3675.49</b>                     | <b>0.00</b>         | <b>2037.07</b>     |
| Financial Liabilities |                                    |                     |                    |                                    |                     |                    |
| Trade payables        | 52.23                              | 0.00                | 0.00               | 1015.98                            | 0.00                | 12.17              |
| <b>Total</b>          | <b>52.23</b>                       | <b>0.00</b>         | <b>0.00</b>        | <b>1015.98</b>                     | <b>0.00</b>         | <b>12.17</b>       |

The following significant exchange rates have been applied during the year.

| Currency | Year-end Spot rate                 |                                    |
|----------|------------------------------------|------------------------------------|
|          | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
| USD      | 82.22                              | 74.54                              |
| EURO     | 0                                  | 0                                  |

**Sensitivity analysis**

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(Amount in Lakhs)

| Particulars | Year ended 31 <sup>st</sup> March, 2023 |                   | Year ended 31 <sup>st</sup> March, 2022 |                   |
|-------------|---|-------------------|---|-------------------|
|             | 0.25%<br>increase                       | 0.25%<br>decrease | 0.25%<br>increase                       | 0.25%<br>decrease |
| USD         | 243193.8288                             | (243193.8288)     | 506225.9891                             | (506225.9891)     |
| EURO        | 31921.71645                             | (31921.71645)     | 0                                       | 0                 |

**(D) Cash flow and fair value interest rate risk****- Interest rate risk management:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

### - Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars                      | (Amount in Lakhs)                  |                                    |
|----------------------------------|------------------------------------|------------------------------------|
|                                  | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
| <b>Fixed-rate instruments</b>    |                                    |                                    |
| Financial assets                 | 781.75                             | 127.62                             |
| Financial liabilities            | 0.00                               | 426.31                             |
| <b>Variable-rate instruments</b> |                                    |                                    |
| Financial assets                 | 0.00                               | 0.00                               |
| Financial liabilities            | 0.00                               | 1806.76                            |
| <b>Total</b>                     | <b>781.75</b>                      | <b>2360.69</b>                     |

### - Interest rate sensitivity

#### Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

#### (iii) Price Risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However,

due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

## 36. CAPITAL MANAGEMENT

### (a) Risk management

The Company's objectives when managing capital are to:

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

| Particulars   | (Amount in Lakhs)                  |                                    |
|---|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2023 | As at 31 <sup>st</sup> March, 2022 |
| Net debt (Total Debt - Cash & cash equivalent - Other Bank Balances - Current Investment) | (1516.83)                          | 1456.52                            |
| <b>Total equity</b>   | <b>10499.27</b>                    | <b>7793.69</b>                     |
| <b>Net debt to equity ratio</b>   | <b>(14.45%)</b>                    | <b>18.69%</b>                      |



**37. RATIOS**

| Sr. No. | Particulars                                    | Note reference | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 | % variance | Explanation for change in ratio for more than 25%                              |
|---------|--|----------------|------------------------------|------------------------------|------------|--|
| 1       | Current Ratio                                  | a              | 23.73                        | 2.95                         | 704.93%    | Increased because of Reduction in Current Liabilities & Short Term Borrowings. |
| 2       | Debt - Equity Ratio                            | b              | 0.00                         | 0.29                         | (100.00%)  | Reduced because of Reudction in Borrowings.                                    |
| 3       | Debt Service Coverage Ratio                    | c              | 31.02                        | 9.96                         | 211.50%    | Increased because of Reudction in Borrowings.                                  |
| 4       | Return on Equity (ROE):                        | d              | 32.54%                       | 41.94%                       | (22.42%)   | Reduced because of Increase in Average Equities.                               |
| 5       | Inventory Turnover (no. of days)               | e              | 19.07                        | 23.11                        | (17.47%)   | Reduced because of Reudction in Inventory Holding Period.                      |
| 6       | Trade receivables turnover ratio (no. of days) | f              | 49.11                        | 37.92                        | 29.49%     | Increased because of Increase in Receivables Period.                           |
| 7       | Trade payables turnover ratio (no. of days)    | g              | 5.87                         | 5.08                         | 15.43%     | Increased because of Increase in Payables Period.                              |
| 8       | Net profit ratio                               | h              | 7.29%                        | 6.01%                        | 21.26%     | Increased because of Increase in Profitability.                                |
| 9       | Net capital turnover ratio (No.of days)        | i              | 69.21                        | 44.05                        | 57.13%     | Increased because of Increase in Working Capital.                              |
| 10      | Return on capital employed (ROCE)              | j              | 39.55%                       | 39.70%                       | (0.36%)    | Reduced because of Increase in Capital Employed.                               |
| 11      | Return on investment (ROI)                     | k              | NA                           | NA                           | 0.00%      |  |

**Note:**

- a. Current ratio (in times): Current Assets/Current liabilities
- b. Debt - Equity ratio: Total Debt divided by Equity
- c. Debt Service Coverage Ratio (DSCR) (no. of times): Profit before interest, divided by Interest expense (net of moratorium interest, interest cost on unwinding (long term unsecured loans) and amortisation of transaction cost)
- d. ROE: Net Profits after taxes - Preference Dividend (if any)/Average Shareholder's Equity
- e. Inventory Turnover: Average Inventory/Sale of Products in days
- f. Trade Receivables turnover: Average Trade receivables/Turnover in Days
- g. Trade Payable turnover: Average Trade Payables/Cost of goods Purchased in days
- h. Net profit (in %): profit after tax/Revenue from operation
- i. Net capital turnover ratio: (Average working capital/ Turnover in days)
- j. ROCE: Earning before interest and taxes/Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability)

- k. Return on investment (ROI): PAT/Share Capital

**38. OTHER STATUTORY INFORMATION**

- a. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b. The Company does not have any transactions with companies which are struck off
- c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

- f The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- g The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h The Company is not declared willful defaulter by any bank or financial institution or lender during the year.
- i The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- j The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at Balance sheet date.
- their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
- b) **Ind AS 12** | Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.
- c) **Ind AS 8** | Accounting Policies, Changes in Accounting Estimates and Errors - The definition of a change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

### 39. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. on 31<sup>st</sup> March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1<sup>st</sup> April, 2023, as below:

- a) **Ind AS 1** | Presentation of Financial Statements - The amendments require companies to disclose

The Company is in the process of evaluating the impact of these amendments.

**40.** Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The management, however, is confident that the impact whereof for the year on the financial statements will not be material.

**41** Previous year figures have been re-grouped /re-classified wherever necessary to conform current years' classification.

As per our report of even date attached  
For, **BEGANI & BEGANI**  
CHARTERED ACCOUNTANTS  
(FRN: 010779C)

For and on behalf of Board of Directors of  
For, **SARTHAK METALS LIMITED**

**(NIKHILESH BEGANI)**  
PARTNER  
M. No. 110603  
UDIN: 23110603BGWNVX2856

**(ANOOP KUMAR BANSAL)**  
DIRECTOR  
DIN:01661844

**(MAYUR BHATT)**  
DIRECTOR  
DIN:07586457

**PLACE:** RAIPUR (C.G.)  
**DATE:** 26<sup>th</sup> May, 2023

**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN: AUMPJ3071G

**(ANIRUDH SINGHAL)**  
CFO  
PAN: BELPS2753A

## **ATTENDANCE SLIP**

**28<sup>th</sup> Annual General Meeting**

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|                     |  |
|---------------------|--|
| Name of the Company | : <b>Sarthak Metals Limited</b>                                      |
| Registered Address  | : Hotel Ashish International, G.E. Road, Bhilai Power House - 490011 |
| CIN                 | : L51102CT1995PLC009772  |
| Email               | : <a href="mailto:info@sarthakmetls.com">info@sarthakmetls.com</a>   |
| Telephone           | : +91-9303773708   |
| Website             | : <a href="http://www.sarthakmetals.com">www.sarthakmetals.com</a>   |

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|  |   |
|--|---|
| Name (In Block Letters)                  | : |
| Address                                  | : |
| Registered Folio No./DP ID Client ID No. | : |
| Member/Proxy/Authorised Representative   | : |
| No. of Shares held                       | : |
|  | : |

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I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the 28<sup>th</sup> Annual General Meeting of the Company being held on Monday, 21<sup>st</sup> August, 2023 at 12:00 P.M. at Hotel Ashish International, G.E. Road, Bhilai Power House - 490011.

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**Signature of Member/Proxy/Authorised Representative**

**Note(s):**

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

# 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 | : | <b>Sarthak Metals Limited</b>                                      |
| Registered Office   | : | Hotel Ashish International, G.E. Road, Bhilai Power House - 490011 |

|                       |   |  |
|-----------------------|---|--|
| Name of the Member(s) | : |  |
| Registered Address    | : |  |
| Email ID              | : |  |
| Folio No./Client ID   | : |  |
| DP ID                 | : |  |

I/We, being the member (s) of **Sarthak Metals Limited** holding \_\_\_\_\_ shares, hereby appoint:

(1)

|           |   |  |
|-----------|---|--|
| Name      | : |  |
| Address   | : |  |
| Email ID  | : |  |
| Signature | : |  |

or failing him

(2)

|           |   |  |
|-----------|---|--|
| Name      | : |  |
| Address   | : |  |
| Email ID  | : |  |
| Signature | : |  |

or failing him

(2)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 28th Annual General Meeting of members of the Company, to be held on Monday, 21<sup>st</sup> August, 2023 Hotel Ashish International, G.E. Road, Bhilai Power House - 490011 at 12:00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Affix  
Revenue  
Stamp

| S. No.                   | Resolutions   | For | Against |
|--------------------------|---|-----|---------|
| <b>ORDINARY BUSINESS</b> |   |     |         |
| 1.                       | To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2023 and the reports of the Board of Directors and the Statutory Auditors thereon |     |         |
| 2.                       | To declare a final dividend of ₹ 01/- (Rupee One Only) per equity share for the Financial Year ended 31 <sup>st</sup> March, 2023   |     |         |
| 3.                       | To appoint a director in place of Mr. Sanjay Chamanlal Shah (DIN: 00350967), who retires by rotation and being eligible, offers himself for re-appointment  |     |         |
| <b>SPECIAL BUSINESS</b>  |   |     |         |
| 4.                       | To approve Material Related Party Transactions of the Company with M/s Bansal Brothers  |     |         |
| 5.                       | To approve and fix the remuneration of the Mr. Anoop Kumar Bansal (DIN: 01661844), Managing Director of the Company   |     |         |
| 6.                       | To approve and fix the remuneration of the Mr. Sanjay Chamanlal Shah (DIN: 00350967), Whole-Time Director of the Company  |     |         |

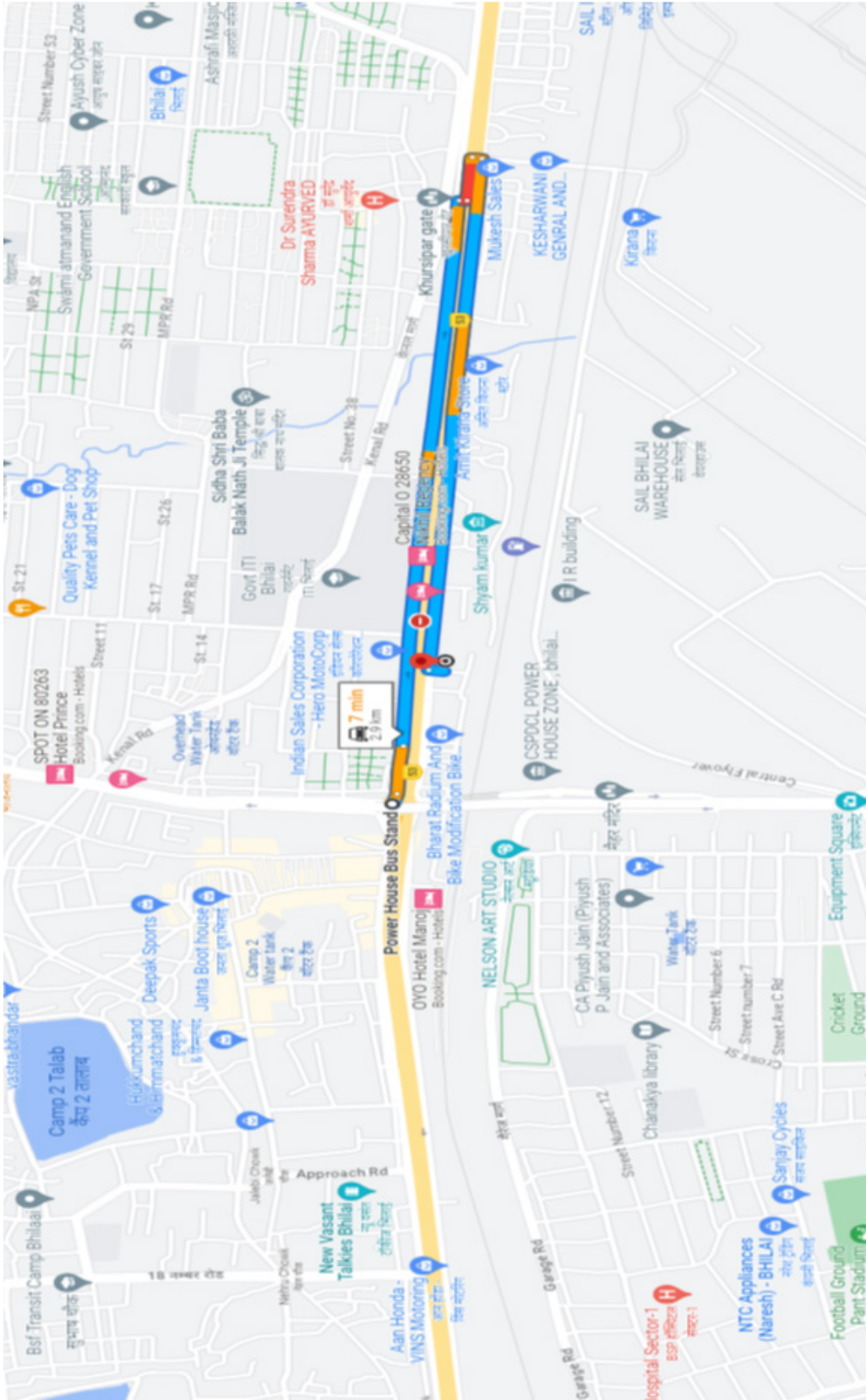
Signed this..... day of ..... 2023.

\_\_\_\_\_  
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, not less than 48 hours before the commencement of the Meeting.**

# Map of Venue







**AN ENTITY PART OF THE D B GROUP**



**SARTHAK METALS LIMITED**

Registered Office Address  
BBC Colony, G.E Road,  
Khursipar, Near Bhilai ITI, Bhilai  
Chhattisgarh - 490011, India  
Tel: +91-9303773708