



An ISO 9001 2008 Certified Co  
CIN-L51102CT1995PLC009772

**SARTHAK METALS LIMITED**

(Formerly: Sarthak Metals Marketing Private Limited)

**Date:14/08/2018**

**To**

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

Scrip Code: 540393

Dear Sir/Madam,

**Sub: Notice of 23<sup>rd</sup> Annual General Meeting (AGM) and Annual Report for the FY 2017-18**

In compliance with Regulation 30 read with Schedule III and other applicable provisions of the Listing Regulations, please find enclosed the Notice of the 23<sup>rd</sup> AGM of the Company and the Annual Report for the FY 2017-18. The same can also be downloaded from our website using the link below:

Link of annual report: [Annual Report - SML - Financial Year 2017-18](#)

We request you to please take the same on record.

Thanking You!

Yours faithfully,

**For Sarthak Metals Limited**

**Itika Singhal**

Company Secretary and Compliance Officer

Head Office:  
BBC Colony, G.E. Road,  
P.O.: Khursipar, Bhilai -490 011 (C.G.)  
Contact : +91 91 1101 5041  
Landline : +91 788 2296495, 2296499  
Telefax : +91 788 2226874  
E-mail : info@sarthakmetals.com

Works:  
17 - N, Heavy Industrial Area,  
hathkhoj, Bhilai - 490 026 (C.G.)  
Contact : +91 91 1101 5042  
Web : www.sarthakmetals.com





**2017**  
**2018**

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**ANNUAL REPORT**



**SARTHAK METALS LIMITED**

(Formerly : Sarthak Metals Marketing Private Limited)



## BOARD OF DIRECTORS

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

## CHIEF FINANCIAL OFFICER

Mr. Anirudh Singhal

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Itika Singhal

## STATUTORY AUDITORS

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

## 23<sup>rd</sup> ANNUAL GENERAL MEETING

DAY, DATE, TIME  
Friday, 14th September 2018 at 11 A.M.

## BANKERS

State Bank of India  
ICICI Bank Limited  
Axis Bank

## ANNUAL GENERAL MEETING VENUE

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

## REGISTERED OFFICE

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

## BOOK CLOSURE

07th September 2018 to  
14th September 2018

## REGISTRAR & TRANSFER AGENT

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

## WEBSITE

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

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## Letter to Shareholders

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the Financial Year 2018. During the year your company saw a 12.4% growth in revenues from FY 2017, a healthy sign of improving Steel sector in India. This growth has been from old plants as well as some green field projects of steel plants coming online in FY 2018. Your company has maintained the EBIDTA margin of 7% while increasing the revenues which has led to increase in absolute EBITDA by 16.7%. The EPS growth has doubled as compared to last year growing by 20%. The Profit After Tax stood at ₹ 4.75 Crores on net sales of ₹ 171.26 Crores against ₹ 153.87 Crores in FY 2016-17.

Your company has been breaking it's own records by way of production of Cored Wires and Aluminum Flipping Coil. This is year has been the year of highest production ever by your company. The company also saw it's Ferro Aluminum plant coming online in FY 2018. Ferro Aluminum is looking at healthy sales in FY 2019 especially from new customers. The average capacity utilization has been below 60%.

It has been more than a year since the shares of your company were listed on the Bombay Stock Exchange. The company's market capitalization has seen various highs and lows but comparing the year-ends, market has rewarded your company with a 17% increase in market capitalization.

Your company is consistent committed in it's strategy of backward integration. The company has started setting up Aluminum wire rod mill for backward integrating our aluminum flipping coil product. With the help of this backward integration we shall be able to reduce our raw material costs, add to our gross margins and leverage our existing relationships and brand name with the steel plants. Furthermore, your company shall be able to increase its market share by offering this product at competitive prices. The aluminum wire rod plant shall be come online by October 2018.

Your company has been delivering strong growth and performance due to hold on the domestic as well as exports market. Sarthak's brand good name, strategy of backward integration and research on new products has been the key in keeping new entrants at bay. We continue to grow by leveraging our strengths and exploiting new opportunities.

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

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

sd/-  
**ANOOP KUMAR BANSAL**  
Managing Director  
Sarthak Metals Limited

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the members of **Sarthak Metals Limited** will be held on Friday, 14th September 2018 at 11. A.M. at the B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt Audited Financial statement for the year ended 31.03.2018 with all annexure and attachment thereto including the Auditor's Report and the Directors' Report.
2. To appoint Mr. Kishore Kumar Bansal (DIN: 03067387), who retires by rotation and being eligible offers himself for re-appointment:

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

### SPECIAL BUSINESS

3. **To set limit of borrowings upto Rs. 70 crores above the net worth of the Company.**

**"RESOLVED THAT,** pursuant to the provisions of Section 180 (1) (c) and (2) of Companies Act, 2013 or any amendment or modifications thereof, approval of members be and is hereby accorded to the Board of Directors of the Company to borrow and raise such sum or sums of money from time to time as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, subject to the proviso that such borrowing shall not exceed Rs. 70,00,00,000 (Rupees Seventy Crores only) over and above the aggregate of the paid-up capital of the Company and its free reserves and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

#### Registered Office:

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

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

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

website: www.sarthakmetals.com

By Order of the Board of Directors

Sarthak Metals Limited

Itika Singhal

Sd/-

Company Secretary

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.**
2. **A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
3. The Explanatory statement for the proposed resolutions under Item No. 3 pursuant to section 102 of the Companies Act, 2013 read with section 110 of the Companies Act, 2013 setting out material facts are annexed herewith.
4. The attendance slip cum Proxy Form is placed at the end of this Annual Report.
5. Pursuant to the provision of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Friday, 07th September 2018 to Friday, 14th September 2017. (both days inclusive).
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting
7. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter shall be transferred to the Investor Education and Protection Fund (IEPF).
8. Members / Proxies attending the Meeting are requested to bring their copies of Annual Report together with attendance slip duly completed and signed along with Client ID and DP ID numbers.
9. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
10. The Ministry of Corporate Affairs has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore, you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in DEMAT through their respective Depository Participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.
11. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:  
**Big Share Services Private limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments (Next to Keys Hotel),  
Marol Maroshi Road, Andheri East, Mumbai 400059
12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The same should be availed through respective depository.
13. The Notice of 23rd AGM along with the attendance slip and proxy form are being sent via electronic mode (to shareholders having their email IDs registered with the Company/Depository Participants) and in physical mode (to shareholders not having their email IDs registered with the Company/ Depository Participants).
14. The Company, being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 is not required to provide remote e-voting facility to its members.



**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 3**

Section 180(1)(c) of the Companies Act, 2013 requires the consent of the Members in the General Meeting for authorizing the Board of Directors to borrow monies (apart from the temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves.

In the view of growing operations, company may require additional funds. It is therefore recommended to authorize Board of Directors to borrow the money subject to the provisions that such borrowing shall not exceed Rs. 70,00,00,000 (Rupees Seventy Crores only) over and above the aggregate of the paid-up capital of the Company and its free reserves and shall exclude all temporary loans obtained by the Company from its bankers in the ordinary course of its business, on such terms and conditions as the Board may consider from time to time in the interest of the Company.

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

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

**Registered Office:**

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

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

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

website: www.sarthakmetals.com

**By Order of the Board of Directors**

**Sarthak Metals Limited**

**Itika Singhal**

**Sd/-**

**Company Secretary**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE 23RD ANNUAL GENERAL MEETING OF THE COMPANY**

Mr. Kishore Kumar Bansal-Non Executive Non- independent Director

<b>Name of Director</b>	<b>Mr. Kishore Kumar Bansal (DIN: 06359909)</b>
Date of Birth	19/08/1968
Date of Appointment	Appointed as Director July 28, 1995 Change in designation from Executive Director to Non- Executive Director from August 16, 2016
Brief Resume and Nature of Expertise in Functional Areas	He has over 20 years of experience in the metals trading business and industry.
Qualification	Under Matriculation
No. of Equity Shares held in the Company	741000 shares
List of Directorship/Committee Memberships in other Public Companies as on 31st March, 2018	Other Directorship- NIL Other Committee Membership- NIL
Disclosure of Relationships between Directors inter-se	Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal are brothers

## DIRECTORS' REPORT

To

**The Members,**

Your Directors have pleasure in presenting the 23rd Annual Report of SARTHAK METALS LIMITED along with the Audited Financial Statements for the year ended 31st March 2018.

### FINANCIAL SUMMARY/HIGHLIGHTS

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

(In lakhs)

Particulars	Current Year as on 31.03.2018	Previous Year as on 31.03.2017
Total Income	17,290.17	15,387.39
Less: Expenditure & Depreciation	16,575.70	14,799.98
Profit before Tax (PBT)	714.47	587.41
Less: Tax (including deferred tax)	227.29	192.39
Profit After Tax (PAT)	487.18	395.02

### PERFORMANCE REVIEW

Iron & Steel sector has seen positive results in the past financial year after many years of poor performance. This is mainly due to two reasons, first being higher budget allocation by Central Government on infrastructure expenditure and measures to stop cheap steel imports from China. Overall it has been a good year for your company. Our revenues have increased by 12.4% and EBIDTA increased by 16.7%. Earnings per share have also increased by 20%. The growth has been steady despite many other players entering the market. We have been able to show good performance due to our client's trust in our product and their readiness to pay a premium for the same.

### DIVIDEND

In order to conserve resources for future growth and business expansion, your directors do not recommend any dividend for the Financial Year 2017-18.

### RESERVES

The Company has transferred the whole amount of Profit to Reserve & Surplus Account as per attached audited Balance Sheet for the year ended on 31st March 2018

### SHARE CAPITAL

The Paid-up Equity share capital of the Company as on 1st April, 2017 was Rs. 13,68,97,500 divided into 1,36,89,750 Equity Shares of Rs 10/- each. No change was made during the year. The equity share capital thus, as on 31/03/2018 was Rs. 13,68,97,500.

### EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No. MGT – 9 is attached in Annexure A appended to the Director's Report.

#### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

In accordance with the provisions of Companies Act, 2013, Mr. Kishore Kumar Bansal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

#### **REPORT ON CORPORATE GOVERNANCE:**

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

#### **DECLARATION BY INDEPENDENT DIRECTORS:**

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

#### **PERFORMANCE EVALUATION OF BOARD, COMMITTEES & INDIVIDUAL DIRECTOR**

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

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

#### **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:**

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

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 6 (Six) times in financial year 31st March, 2018 and as per section 173 of the Companies Act the time gap between any two Meetings has not been more than one hundred and twenty days. The dates on which the Board Meetings were held are 15th April, 2017, 29th May, 2017, 23rd June, 2017, 12th September, 2017, 15th November, 2017 and 9th March, 2018.

The name and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the Annual General Meeting, the member of Directorships and Committee Memberships and Chairpersonships held by them in other companies as on 31st March, 2018 are given below.

Name of Directors	Category	No. of Board Meeting held and attend during the year		No. of Directorship in other Public Company	No. of Committees positions held in other Public Companies*		Attendance at last AGM held on 01/08/2017
		Held	Attend		Chairman	Member	
Mr. Anoop Kumar Bansal	Chairman & Managing Director	6	6	0	0	0	Yes
Mr. Kishore Kumar Bansal	Non- Executive Non-Independent Director	6	6	0	0	0	Yes
Ms. Rama Kohli <sup>^</sup>	Non- Executive Independent Director	6	4	0	0	0	No
Mr. Sanjay Shah	Whole Time Director	6	6	0	0	0	Yes
Mr. Mayur Bhatt	Whole Time Director	6	6	0	0	0	Yes
Mr. Chetan Kumar	Non- Executive Independent Director	6	2	0	0	0	Yes

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

<sup>^</sup>Designates as a Woman Director on Board.

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

### MEETINGS OF INDEPENDENT DIRECTORS:

The Company's Independent Directors shall meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to (i) review the performance of Non-Independent Directors and the Board as a whole, (ii) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and (iii) to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### COMMITTEES OF THE BOARD OF DIRECTORS

In compliance with the requirement of applicable laws and as part of the best governance practice, the Board has

constituted various Committees of its members. These Committees hold meetings at such frequencies as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings.

Your Company currently has 4 (Four) Committees viz:

**(a) AUDIT COMMITTEE**

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

As on 31st March, 2018, the Audit Committee comprises of the following members-

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

The Committee met 4 times during the year on 29th May, 2017, 23rd June, 2017 and 15th November 2017 and the attendance of Members at the Meetings.

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

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

The Chairman of the Audit Committee of the Company was present at the last Annual General Meeting of the Company held on 1st August, 2017.

**(b) NOMINATION & REMUNERATION COMMITTEE**

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

As on 31st March, 2018, the Nomination and Remuneration Committee comprises of the following members-

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

The Committee met 1 time during the year on 15th April, 2017 and the attendance of Members at the Meetings is as follows:

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

### (c) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

As on 31st March, 2018, the Stakeholders Relationship Committee comprises of the following members-

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

During the period under review, Company has not received any complaint from shareholders. There is no outstanding complaint as on 31st March, 2018.

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

### (d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

As on 31st March, 2018, the Corporate Social Responsibility Committee comprises of the following members-

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

The Committee met 2 times during the year on 29th May, 2017 and 15th November, 2017 and the attendance of Members at the Meetings is as follows:

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

### NOMINATION & REMUNERATION POLICY OF THE COMPANY:

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

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

### ANALYSIS OF REMUNERATION

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

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

<b>Names and Positions</b>	<b>[A] Ratio of Directors' Remuneration to the median Remuneration of Employees</b>	<b>[B] Percentage (%) increase in Remuneration</b>
MR. CHETAN KUMAR (INDEPENDENT DIRECTOR & CHAIRPERSON)	NIL	Not Applicable
MS. RAMA KOHLI (INDEPENDENT DIRECTOR)	NIL	Not Applicable
MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR)	21.60 Times	Reduction by 33%
MR. MAYUR BHATT (WHOLE TIME DIRECTOR)	5.4 Times	Reduction by 50%
MR. KISHORE KUMAR BANSAL (DIRECTOR)	NIL	Reduction by 100%
MR. SANJAY SHAH (WHOLE TIME DIRECTOR)	21.60 Times	Reduction by 33%
MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER)	21.60 Times	Reduction by 50%
MRS. ITIKA SINGHAL (COMPANY SECRETARY)	2.70 Times	Not Applicable as Ms. Itika Singhal was not employed with the Company in FY 2017

The median remuneration of employees of the Company during the financial year was Rs. 1,11,091.72 p.a. Please note that only those persons who were employees as on 31st March 2018 have been considered for the calculation of the median salary. Further, no bonus payments have been considered for these calculations.

<b>[C] Percentage increase in the median Remuneration of Employees</b>	Decline of 2.67%	
<b>[D] Number of permanent Employees on the rolls of Company</b>	126 as on 31st March 2018	
<b>[E] Explanation on the relationship between average increase in Remuneration and Company performance</b>	Sales Increase – 12.4% EBITDA Increase – 16.7% PBT Increase – 18.15% PAT Increase – 20.25% EPS Increase – 20% Median Salary Decline – (2.67%)	
<b>[F] Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company</b>	The Remuneration of the Key Managerial personnel has declined 33% and the company's turnover has increased by 12.4%. Further, the company's EPS has also increased by 20%.	
<b>[G] Variations in the Market Capitalization of the Company as at 31st March, 2018 as compared to 31st March, 2017</b>	Increase in Market capitalization of company by 16.98% compared between 31st March 2017 and 30th March 2018	
<b>[H] Price Earning Ratio as at 31st March, 2018 as compared to 31st March, 2017</b>	Increase of 20%	
<b>[I] Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer</b>	The company was listed as on 27th March 2017 at Rs 30 per equity share. The price per equity share on 31st March 2018 at closing bell was Rs 41 per share. The percentage increase is 36.67%.	
<b>(J) Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof</b>	Median Salary of non managerial staff has declined by 2.67% and the average salary of managerial staff has declined by 33% average.	
<b>(K) Comparison of the each KMPs Remuneration vis-à-vis the performance of the Company</b>		
<b>Name of KMP</b>	<b>Remuneration of KMP (Rs in Lacs)</b>	<b>Net Profit of Company after tax (Rs in Lacs)</b>
Mr. Anoop Kumar Bansal (Managing Director)	24.00	475.58
Mr. Anirudh Singhal (Chief Financial Officer)	6.50	
Mr. Mayur Bhatt (Whole Time Director)	6.50	
Mr. Sanjay Shah (Whole Time Director)	24.00	
Ms. Itika Singhal (Company Secretary)	3.00	
<b>(L) The key parameters for any variable component of remuneration availed by the directors</b>	No	
<b>(M) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.</b>	Highest paid Directors Remuneration (I) Rs 24,00,000	Remuneration of Ratio Employee receiving remuneration in excess of (I) 1.25



## **PARTICULARS OF EMPLOYEES**

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

## **REGULATORY ORDERS**

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

## **WHISTLE BLOWER POLICY:**

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

## **STATUTORY AUDITORS**

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

## **AUDITORS' REPORT**

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

## **COST AUDITOR- NOT APPLICABLE**

## **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s NILESH A. PRADHAN & CO. Practicing Company Secretary (COP. No. 3659) to undertake the Secretarial Audit of the Company for the 31st, March, 2018.

The Secretarial Audit Report for the financial year ended 31st March 2018 is included as Annexure MR-3 and forms an integral part of this report.

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

### **Response to point No. 1**

The Company has submitted the Annual Report to the Stock Exchange BEFORE DUE DATE i.e. as mentioned in Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Annual Report is available on BSE website, but advertently, it was uploaded before the prescribed due date. The company will take care of it next time and will file to BSE on time after Annual General Meeting.

**Response to point No.2**

There was 1 day delay in the Board Meeting for the quarter ended 30th September 2017, it was held on 15th November, 2017 instead of 14th November, 2017. This delay occurred inadvertently due to some miscalculation in estimating the number of days. The management ensures to take care of it in future.

**Response to point No.3**

The Company has transferred the Dividend declared on 1st August, 2017 for the year ended 31.03.2017 to the separate bank account as per the provisions section 123 of the Companies Act, 2013 on 8th August, 2017, since there were two holidays in between.

**Response to point No.4**

This delay occurred as there are various Bank formalities to open Bank account with the name of Unpaid Dividend Account- Sarthak Metals Limited in Bhilai (Remote Area). The management is working on it and will take care of it in future.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

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

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

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

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

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Management does not perceive any material changes occurred subsequent to the close of the financial year as on 31st March, 2018 before the date of report dated 1ST August, 2018, affecting the financial position of the Company in any substantial manner.

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

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

**(B) Foreign exchange earnings and Outgo:**

Particulars	As on 01.04.2017 (In Rs.)	As on 31.03.2018 (In Rs.)
Foreign exchange earnings	5,71,99,953	24,21,80,995
Foreign Exchange Outgo	39,73,15,729	56,13,34,105

**PUBLIC DEPOSITS**

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

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

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

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

**DISCLOSURE ON COST RECORDS MAINTENANCE**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**ACKNOWLEDGMENTS:**

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

**FOR SARTHAK METALS LIMITED**

Sd/-

**(ANOOP KUMAR BANSAL)**

**(DIN No. 01661844)**

**Chairman & Managing Director**

Place: Bhilai, Chhattisgarh

Date: 01.08.2018

## ANNEXURE: A

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

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

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

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Sarthak Metals Limited is keen to working towards providing education to the under privileged kids. In this endeavor, the company has associated itself with Shoshit Seva Sangh Foundation which operates a school in Patna for the Musahar (Rat Eating) Community of Bihar. The link of the website is <a href="http://sssfoundation.org">http://sssfoundation.org</a> . Sarthak Metals Limited is also committed to helping lesser privileged people in and around Bhilai, Chhattisgarh to have access to affordable medical facilities like dialysis. Bhagwan Mahavir Jain Relief Trust has set up a dialysis center for the poor in Raipur. SML is committed towards providing affordable health and education in the state of Chhattisgarh and is working towards providing sustainable solutions for the same.
2.	The composition of the CSR committee	Composition of the CSR Committee <ol style="list-style-type: none"> <li>1. Mr. Chetan Kumar- Chairman/ Non- Executive &amp; Independent Director</li> <li>2. Mrs. Rama Kohli- Member/ Non- Executive &amp; Independent Director</li> <li>3. Mr. Kishore Kumar Bansal- Member/ Non- Executive &amp; Non- Independent Director</li> </ol>
3.	Average net profit of the company for last three financial years.	Rs 616.03 Lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 12.20 Lacs
5.	Details of CSR spent during the financial year:	Shoshit Seva Sangh Foundation – Rs 2.4 Lacs CRY – Rs 0.12 Lacs Bhagwan Mahavir Jain Relief Trust – Rs 2.00 Lacs

(a)	Total amount to be spent for the financial year	Rs. 9.03 lacs
(b)	Amount unspent, if any	Rs. 6.63 lacs
(c)	Manner in which the amount spent during the financial year is detailed below	Rs 2.40 lacs – Donation to SSS Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise  (Amount in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads  (Amount in Rs.)	Cumulative expenditure upto the reporting period (as on 31.03.2017)	Amount spent: Direct or through implementing agency
1.	Shoshit Seva Sangh Foundation	Affordable Education	BIHAR	Rs 2.40 Lacs	Rs 2.40 lacs	Rs 2.40 lacs	Direct
2	CRY	Affordable Education	CHHATTISGARH	Unplanned	Rs. 0.12 lacs	Rs. 0.12 lacs	Direct
3	Bhagwan Mahavir Jain Relief Trust	Affordable Health	CHHATTISGARH	Unplanned	Rs. 2.00 lacs	Rs. 2.00 lacs	Direct

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Apartments (next to Keys Hotel)

Marol Maroshi Road, Andheri East, Mumbai - 400059

Tel: 91-22-40430200 • Fax: 91-22-28475207

Email: ipo@bigshareonline.com

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

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	MANUFACTURING OF FERRO ALLOYS	27110	65.02%
2	MANUFACTURING OF ALUMINUM WIRE FLIPPING COIL	27203	31.96%

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

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

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2017				No. of Shares held at the end of the year i.e. 31/03/2018				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>	-								
<b>(1) Indian</b>									
<b>Individual /HUF</b>	7,349,700	-	7,349,700	53.69%	7,349,700	-	7,349,700	53.69%	0
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
<b>Bodies Corp</b>	901,250	-	901,250	6.58%	901,250	-	901,250	6.58%	0
Banks/ FI	-	-	-	-	-	-	-	-	-
<b>Any Other DIRECTORS RELATIVES</b>	1,229,000	-	1,229,000	8.98%	1,229,000	-	1,229,000	8.98%	0
<b>Sub-total (A) (1):-</b>	9,479,950	-	9,479,950	69.25%	9,479,950	-	9,479,950	69.25%	0
<b>(2) Foreign</b>									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding (A)=(A)(1)+(A)(2)</b>	9479950	-	9479950	69.25%	9479950	-	9479950	69.25%	0
<b>1. Institutions</b>									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-



Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub -Total B(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>Bodies Corporate</b>	<b>684000</b>	-	<b>684000</b>	<b>5.00%</b>	<b>886000</b>	-	<b>886000</b>	<b>6.47%</b>	<b>1.48%</b>
<b>( Overseas)</b>	<b>36000</b>	-	<b>36000</b>	<b>0.26%</b>	<b>16000</b>	-	<b>16000</b>	<b>0.12%</b>	<b>(0.15)%</b>
<b>Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	<b>781838</b>	-	<b>781838</b>	<b>5.71%</b>	<b>713250</b>	-	<b>713250</b>	<b>5.21%</b>	<b>(0.50)%</b>
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	<b>2356550</b>	-	<b>2356550</b>	<b>17.21%</b>	<b>2560550</b>	-	<b>2560550</b>	<b>18.70%</b>	<b>1.49%</b>
c) Others <b>(CLEARING MEMBER)</b>	<b>351412</b>	-	<b>351412</b>	<b>2.57%</b>	<b>34000</b>	-	<b>34000</b>	<b>0.25%</b>	<b>(2.32)%</b>
<b>Sub-total (B)(2):-</b>	<b>4209800</b>	-	<b>4209800</b>	<b>30.75%</b>	<b>4209800</b>	-	<b>4209800</b>	<b>30.75%</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1) +(B)(2)</b>	<b>4209800</b>	-	<b>4209800</b>	<b>30.75%</b>	<b>4209800</b>		<b>4209800</b>	<b>30.75%</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1368975</b>	-	<b>1368975</b>	<b>100%</b>	<b>13689750</b>		<b>13689750</b>	<b>100%</b>	<b>0%</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2017			Share holding at the end of the year 31/03/2018			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged /encum bered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbe red to total shares	
1	MR. ANOOP KUMAR BANSAL	1145250	8.37%	NA	1145250	8.37%	NA	0
2	MR. KISHORE KUMAR BANSAL	741000	5.41%	NA	741000	5.41%	NA	0
3	MR. SANJAY SHAH	535950	3.91%	NA	535950	3.91%	NA	0
4	MR. MANOJ KUMAR BANSAL	3782700	27.63%	NA	3782700	27.63%	NA	0
5	MS. SHALINI SHAH	261000	1.91%	NA	261000	1.91%	NA	0
6	MS. CHAMPA BEN SHAH	277200	2.02%	NA	277200	2.02%	NA	0
7	MANOJ KUMAR BANSAL (HUF)	213300	1.55%	NA	213300	1.55%	NA	0
8	DESH RAJ BANSAL (HUF)	540000	3.94%	NA	540000	3.94%	NA	0
9	CHAMANLAL KHUSHALJI SHAH (HUF)	247500	1.81%	NA	247500	1.81%	NA	0
10	ANOOP KUMAR BANSAL (HUF)	144000	1.05%	NA	144000	1.05%	NA	0
11	MS. SANJU BANSAL	237000	1.73%	NA	237000	1.73%	NA	0
12	MS. KIRTI BANSAL	231300	1.69%	NA	231300	1.69%	NA	0
13	MS. SIMMI BANSAL	222500	1.63%	NA	222500	1.63%	NA	0
14	SARTHAK ENERGY PRIVATE LIMITED	1250	0.0091%	NA	1250	0.0091%	NA	0
15	METAL GRACE INJECTION ALLOYS PRIVATE LIMITED	900000	6.57%	NA	900000	6.57%	NA	0
	TOTAL	9479950	69.229%		9479950	69.229%		0

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

Sl. No.	Particulars	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>MR.ANOOP KUMAR BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>MR. KISHORE KUMAR</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>MR. SANJAY SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>MR. MANOJ KUMAR BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>5</b>	<b>MS. SHALINI SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>6</b>	<b>MS. CHAMPA BEN SHAH</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>7</b>	<b>MANOJ KUMAR BANSAL (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-

<b>8</b>	<b>DESH RAJ BANSAL(HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>9</b>	<b>CHAMANLAL KHUSHALJI SHAH (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>10</b>	<b>ANOOP KUMAR BANSAL (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>11</b>	<b>MS. SANJU BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>12</b>	<b>MS. KIRTI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>13</b>	<b>MS. SIMMI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>14</b>	<b>SARTHAK ENERGY PRIVATE LIMITED</b>				
	At the beginning of the year	-	-	-	-
	Decrease in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>15</b>	<b>METAL GRACE INJECTION ALLOYS PRIVATE LIMITED</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018		Increase/Decrease in Shareholding
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	GUINNESS SECURITIES LTD.	280000	2.05%	309000	2.26%	Increase 29000 (0.21%)
2.	MR. SANJAY POPATLAL JAIN	232000	1.69%	228000	1.67%	Decrease 4000(0.02%)
3.	BAHUBALI FINANCIAL SERVICES LTD.	164000	1.20%	-	-	Decrease 164000(1.20%)
4.	BHILAI TECHNO PRIVATE LIMITED	164000	1.20%	324000	2.37%	Increase 160000(1.17%)
5.	MR. PARASRAM HOLDINGS PRIVATE LIMITED	160000	1.17%	2000	0.01%	Decrease 158000(1.16%)
6.	MR. GOPAL AGARWAL	160000	1.17%	160000	1.17%	0
7.	MR. SUNIL KUMAR PYAREYLAL AGARWAL	160000	1.17%	320000	2.34%	Increase 160000(0.17%)
8.	MR. PRAKASH CHANDRA BHATT	80000	0.58%	104000	0.76%	Increase 24000(0.18%)
9.	MR. HARSH SARAWGI	144000	1.05%	144000	1.05%	0
10.	MRS. JAYA BHATT	118500	0.87%	118500	0.87%	0
11.	IL AND FS SECURITIES SERVICES LIMITED	-	-	167700	1.23%	Increase 167700(1.23%)

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

Sl. No.	Particulars	Shareholding at the beginning of the year 01/04/2017		Cumulative Shareholding during the year 31/03/2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For each of the Directors and KMP</b>				
1.	MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR)	1145250	8.37%	1145250	8.37%
2.	MR. CHETAN KUMAR (INDEPENDENT DIRECTOR)	NIL	NIL	NIL	NIL
3.	MR. MAYUR BHATT (WHOLE TIME DIRECTOR)	454050	3.32%	454050	3.32%
4.	MR. SANJAY SHAH (WHOLE TIME DIRECTOR)	535950	3.92%	535950	3.91%
5.	MS. RAMA KOHLI (INDEPENDENT DIRECTOR)	NIL	NIL	NIL	NIL
6.	MR. KISHORE KUMAR BANSAL (DIRECTOR)	741000	5.41%	741000	5.41%
7.	MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER)	56000	0.41%	56000	0.41%
8.	MRS. ITIKA SINGHAL (COMPANY SECRETARY)	NIL	NIL	NIL	NIL

**(v) INDEBTEDNESS:**

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

**(In Rupees)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
<b>I) Principal Amount</b>	20,23,43,291	7,01,00,000	-	27,24,43,291
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	20,23,43,291	7,01,00,000	-	27,24,43,291
Change in Indebtedness during the financial year				
* <b>Addition</b>		-	-	-
* Reduction	(4,25,51,752)	2,87,89,356	-	(1,37,62,396)
Net Change	(4,25,51,752)	2,87,89,356	-	(1,37,62,396)
Indebtedness at the end of the financial year				
<b>I) Principal Amount</b>	15,97,91,539	9,88,89,356	-	25,86,80,895.00
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15,97,91,539	3,24,618	-	25,86,80,895.00

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

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

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

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

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

(In Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO	TOTAL	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	300,000	6,50,000	9,50,000	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961	NIL	NIL	NIL	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act,1961	NIL	NIL	NIL	
2	Stock Option	NIL	NIL	NIL	
3	Sweat Equity	NIL	NIL	NIL	
4	Commission As % of profit Others, specify	NIL	NIL	NIL	
5	Others, specify	NIL	NIL	NIL	
	Total (A)	300,000	6,50,000	9,50,000	
	Overall Ceiling as per the Act	within the Ceiling Limit	within the Ceiling Limit		

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

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

FOR SARTHAK METALS LIMITED

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

**MAYUR BHATT**  
 Director  
 07586457

Place: Bhilai, Chhattisgrah  
 Date: 01.08.2018



**Form AOC-1**

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

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

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

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

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

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

**Part "B": Associates and Joint Ventures**

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

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

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

**Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**

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

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

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

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

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

Name(s) of the related party and nature of relationship		Nature of contracts/arrangements/transactions	Duration of the contracts arrangement s/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1) METAL GRACE INJECTION ALLOYS PRIVATE LIMITED	ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE	Rent Paid	ANNUALLY	Rent paid- 1,44,000.00	N/A	NIL
2) M/S BANSAL BROTHERS (TRADING DIV.)	ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE	Purchase Raw Material, Purchase of Packing Material, Purchase of Consumable Goods, Factory Shed & Building, Repair & Maintenance Machine	ANNUALLY	1. Purchase Raw Material- 1,56,48,077 2. Purchase of Packing Material- 1,47,646 3. Purchase of Consumable Goods- 1,64,589 4. Factory Shed & Building- 3.43.707 Repair & Maintenance Machine- 3,349	N/A	NIL
3) M/S BANSAL BROTHERS (FAD)	ENTERPRISE OVER WHICH SIGNIFICANT INFLUENCE	Purchase raw Material	ANNUALLY	Purchase Raw Material- 7,87,43,564	N/A	NIL

## Management Discussion & Analysis

### Overall Indian Economy Outlook

The year 2017 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of 2017, seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown uptick.

The Indian economy is expected to grow at an annual rate of 7.4% in 2018 and 7.8% in 2019, according to a recently released IMF Economic Outlook. India's economy is "lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the national goods and services tax," notes the report. "Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment."

### Steel Sector Outlook

India has maintained its position as the third largest producer of Steel in the world. In FY18, India produced 104.98 million tonnes (MT) of finished steel. Crude Steel production during 2017-18 stood at 102.34 MT. Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018. India's steel production is expected to increase from 102.34 MT in FY18 to 128.6 MT by 2021. India's per capita consumption of steel grew at a CAGR of 3.96 per cent from 46 kgs in FY08 to 65.25 kgs in FY17. The figure stood at 68 kgs during April-February 2017-18. National Steel Policy 2017 seeks to increase per capita steel consumption to the level of 160 kgs.

### Opportunities

Steel demand is currently going strong mimicking previous year's trend. With coming of Goods & Service Tax, cost of many products has come down making India more competitive in the exports market. Further, strong push by government on Make in India and various infrastructure investments has added to the demand of steel in India. Following policies of GoI are adding luster to the sector:

- Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making in capacity and 160 kgs per capita steel consumption by 2030.

The on-going trade war between EU, USA and China adds a slew of opportunities for Indian steel as well as Indian raw materials. India expects to keep its MFN status with US thereby boosting exports. With the current increase in capacity additions by various steel plants going online India is poised to overtake Japan as the second largest steel producer by FY 2020 behind only China which is projecting a decline in Steel consumption by 2% in 2019 fiscal.

### Threats

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

Further, USA and EU might impose tariffs on Indian steel as they have on Chinese steel if the situations for their local industries do not improve. The only case in point for these economies maybe that the Indian steel still makes economic sense for the downstream industries.

The GoI's IBC has been effective in resolving the stressed assets of Banks in the Bhushan Steel and Monnet Ispat cases. However, decisions on assets like Essar and BPSL still remain in limbo. Tata Steel & JSW Steel the companies who have acquired the stressed assets mentioned earlier have also stretched their balance sheets to buy these assets making situations questionable for the only two profitable steel plants in India. Indian steel companies like JSPL and JSL continue to face pressure from banks, as most of them are still overleveraged. The FY 2018 results of most steel companies are definitely a breath of fresh air but continuous achievement of such performance is questionable.

### Product Wise Performance

Sarthak Metals Limited has three manufacturing divisions as on 31st March 2018 i.e. industrial oxygen manufacturing, cored wire manufacturing plant and Ferro Aluminum manufacturing plant. The industrial oxygen plant is of 200 Cubic Meter per hour capacity. It has been giving steady performance and catering to nearby steel fabrication companies. The cored wire division of the company manufactures various cored wires and aluminum flipping coils for the Iron & Steel companies. Your company has commissioned the Ferro Aluminum and Iron Powder plants in FY 2019. Further, your company has also started the commissioning of Aluminum wire rod manufacturing plant, which shall be the raw material for Aluminum flipping coil. We are hopeful of bringing the aluminium wire rod plant online by October 2018.

The product wise performance of the both cored wires, aluminum flipping coil and Ferro Aluminium has been briefed in the table below:

Table: Capacity Utilisation for Primary Products

Product Name	Contribution to Turnover (Rs in Crores)	Quantity (in Metric Tonnes)	Capacity Utilisation
Cored Wires	107.71	5951.393	60%
Aluminum Flipping Coil	53.97	3170.097	64%
Ferro Aluminum	4.96	1569.535	32.70%

### Outlook

Recovering fundamentals of steel companies and strong domestic demand of steel shall be a major contributor to the company's growth in the coming fiscals. The two factors, which shall keep our company competitive, is quality and cost control. There seems to be no reason for not growing if we live by these two covenants.

### Cautionary Statement

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2018 according to the provisions of:

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

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable );
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009(Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).;

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

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

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

1. The Company has not submitted the Annual Report to the Stock Exchange as mentioned in Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Board Meeting for the quarter ended 30th September, 2017 was held on 15th November, 2017 and submitted the same to the Stock Exchange on 15th November, 2017.
3. The Company has transferred the dividend declared on 1st August, 2017 for the year ended 31.03.2017 to the separate bank account as per the provisions Section 123 of the Companies Act,2013 on 08th August,2017.
4. The Company has not transferred the unpaid dividend to the special account within 7 days from the date of expiry of the 30 days of declaration as per the provisions Section 124 of the Companies Act, 2013.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was change in the composition of the Board of Directors during the period under review.

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

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

I 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.

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

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

I 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: 1st August, 2018

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

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

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

**ANNEXURE -I**

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

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained 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. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Nilesh A. Pradhan & Co,  
Practicing Company Secretaries

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

Place: Mumbai  
Date: 01.08.2018



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

**M/s SARTHAK METALS LIMITED**

(Formerly known as Sarthak Metals Marketing Private Limited)

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s SARTHAK METALS LIMITED ("the company") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its Profit, its Cash Flows and changes in Equity for the year ended on that date.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With Respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in Annexure B.
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company does 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.

Place: RAIPUR (C.G.)  
Date: 29/05/2018

For BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN NO. 010779C

Sd/-  
**(VIVEK BEGANI)**  
**PARTNER**  
**M.NO. 403743**

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

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained & Informed to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As explained & Informed to us, the title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancy.
- (iii) As at the year end, there is no loan outstanding given by the company, which is covered in the register maintained under section 189 of the companies Act,2013
- (iv) In our opinion and according to the information and explanations given to us ,the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) As Explained & Informed to us maintenance of cost records for the items manufactured/dealt by the company in its different undertaking is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company did not have any undisputed amount payable in respect of Income Tax ,Wealth Tax ,Custom Duty, Excise Duty, Sales Tax VAT, Cess and other material statutory due in arrears/were outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks.

- (ix) During the year the Company has not raised any fresh money by way of initial public offer, further public offer and term loans.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of dection 197 read with schedule V to the act.
- (xii) The company is not a Nidhi Company hence this clause is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: RAIPUR (C.G.)

Date: 29/05/2018

For BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN NO. 010779C

Sd/-  
**(VIVEK BEGANI)**  
PARTNER  
M.NO. 403743

### **Annexure-'B' to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **M/s SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited) ("the Company")** as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: RAIPUR (C.G.)  
Date: 29/05/2018

For BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN NO. 010779C

Sd/-  
**(VIVEK BEGANI)**  
**PARTNER**  
**M.NO. 403743**

**SARTHAK METALS LIMITED**  
**( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )**  
**BALANCE SHEET AS AT 31st MARCH 2018**

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	136,897,500	136,897,500
	(b) Reserves and surplus	3	229,173,611	189,853,764
	(c) Money received against share warrants		-	-
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	4	22,777,255	10,046,022
	(b) Deferred tax liabilities (Net)		356,401	1,651,201
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions (Gratuity)		2,169,765	1,219,035
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	235,903,640	262,397,269
	(b) Trade payables		9,257,818	3,451,870
	(c) Other current liabilities	6	12,558,683	20,716,230
	(d) Short-term provisions	7	2,319,845	1,174,354
	<b>TOTAL</b>		<b>651,414,517</b>	<b>627,407,245</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	8		
	(i) Tangible assets		87,291,627	70,326,683
	(ii) Intangible assets		1,944,461	3,203,594
	(iii) Capital work-in-progress		5,742,578	19,367,834
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	9	7,500,000	7,500,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	10	3,653,160	4,920,279
	(e) Other non-current assets	11	1,225,003	1,465,000
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	12	155,516,553	101,517,850
	(c) Trade receivables	13	291,285,186	297,734,583
	(d) Cash and Cash equivalents	14	16,323,493	89,004,791
	(e) Short-term loans and advances	15	28,682,089	32,366,630
	(f) Other current assets	16	52,250,366	-
	<b>TOTAL</b>		<b>651,414,517</b>	<b>627,407,245</b>

Summary of significant accounting policies

1 & 25

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

As per our Report of even date

For BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN NO. 010779C

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

Sd/-  
(VIVEK BEGANI)  
PARTNER  
M.NO. 403743

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

Sd/-  
(MAYUR BHATT)  
DIRECTOR  
DIN : 07586457

Place: RAIPUR (C.G.)  
Date: 29/05/2018

Sd/-  
(ITIKA SINGHAL)  
COMPANY SECRETARY

Sd/-  
(ANIRUDH SINGHAL)  
CHIEF FINANCIAL OFFICER



**SARTHAK METALS LIMITED**  
**( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )**  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2018 ₹	As at 31.03.2017 ₹
I.	<b>Revenue from operations</b>	17	1,712,608,633	1,521,783,800
II.	<b>Other income</b>	18	16,408,005	16,954,743
III.	<b>Total Revenue (I + II)</b>		<b>1,729,016,638</b>	<b>1,538,738,544</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	19	1,469,825,041	1,282,935,272
	Purchases of Stock-in-Trade		10,158,084	1,083,600
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	(14,345,282)	3,935,173
	Employee benefits expense	21	44,083,088	41,895,817
	Finance costs	22	34,576,868	33,783,126
	Depreciation and amortization expense	8	13,500,289	10,082,255
	Other expenses	23	99,772,267	106,282,763
	<b>Total expenses</b>		<b>1,657,570,354</b>	<b>1,479,998,006</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		71,446,284	58,740,538
	Dividend			
VI.	Exceptional items	24	1,158,120	(766,009)
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>70,288,164</b>	<b>59,506,547</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>70,288,164</b>	<b>59,506,547</b>
X.	<b>Tax expense:</b>			
	(1) Current tax		24,024,789	19,598,587
	(2) Deferred tax		(1,294,800)	406,268
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>47,558,175</b>	<b>39,501,692</b>
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>47,558,175</b>	<b>39,501,692</b>
XVI.	<b>Earnings per equity share:</b>			
	(1) Basic		3.47	2.89
	(2) Diluted		-	-

As per our Report of even date

For BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN NO. 010779C

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

Sd/-  
(VIVEK BEGANI)  
PARTNER  
M.NO. 403743

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

Sd/-  
(MAYUR BHATT)  
DIRECTOR  
DIN : 07586457

Place: RAIPUR (C.G.)  
Date: 29/05/2018

Sd/-  
(ITIKA SINGHAL)  
COMPANY SECRETARY

Sd/-  
(ANIRUDH SINGHAL)  
CHIEF FINANCIAL OFFICER

**SARTHAK METALS LIMITED**  
**( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018**

(Amount in Rs.)

	Particulars	As at 31.03.2018 ₹	As at 31.03.2017 ₹
<b>I.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before tax as per Profit & Loss Account	702.88	587.40
	<b>Adjustment for :</b>		
	Depreciation	135.00	100.82
	Interest (Net)	276.11	337.83
	Amortazation Of Preliminary Exps	2.40	
	Loss/ (profit) on sale of fixed assets	(2.58)	(0.67)
		<b>410.93</b>	<b>437.98</b>
	<b>Operating Profit before Working Capital changes</b>	1,113.81	1,025.38
	Adjustment for :		
	Inventories	(539.99)	54.58
	Trade and other receivable	64.49	(481.49)
	Short Term Loans and Advances	36.85	12.92
	Long Term Loans and Advances	12.67	(98.47)
	Trade Payable	58.06	19.99
	Other Current Assets	(522.50)	-
	Long term Laiblites	9.51	
	Other Current Liabilities	(8.41)	76.71
		<b>(889.32)</b>	<b>(415.76)</b>
	<b>Cash generated from Operations</b>	<b>224.49</b>	<b>609.62</b>
	Direct Taxes (Net)	(220.88)	(199.28)
	<b>Net Cash from Operating Activities</b>	<b>3.61</b>	<b>410.34</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Investment in Fixed Assets including Capital WIP	(159.12)	(225.09)
	Proceeds from sale of fixed assets	5.89	3.67
	Investment in Non Current Investments	-	-
	Interest Received	1.26	-
	<b>Net Cash used in Investing Activities</b>	<b>(151.97)</b>	<b>(221.42)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceed From Long Term Borrowing	46.24	539.43
	Other Short Term Borrowings	(264.94)	348.35
	Interest Paid	(277.37)	(337.83)
	Dividend Paid	(82.38)	-
	<b>Net Cash from financing Activities</b>	<b>(578.46)</b>	<b>549.95</b>
	<b>Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>(726.82)</b>	<b>738.87</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 01/04/2017 (as per Note-'13')</b>	890.04	151.17
	<b>CASH AND CASH EQUIVALENTS AS AT 31/03/2018 (as per Note-'13')</b>	163.23	890.04
	<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>(726.81)</b>	<b>738.87</b>

Notes: (a) Cash and cash equivalent include the following : Cash on Hand Balance with Banks (Including Fixed Deposits) (b) Figures in brackets represent outflows. (c) Previous year figures have been recast/restated wherever necessary.		
	5.58	3.82
	157.66	886.22
	163.23	890.04

**As per our Report of even date**

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

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

Sd/-  
**(VIVEK BEGANI)**  
 PARTNER  
 M.NO. 403743

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

Sd/-  
**(MAYUR BHATT)**  
 DIRECTOR  
 DIN : 07586457

**Place: RAIPUR (C.G.)  
 Date: 29/05/2018**

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

Sd/-  
**(ANIRUDH SINGHAL)**  
 CHIEF FINANCIAL OFFICER

**SARTHAK METALS LIMITED**  
**( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )**  
**Notes to financial statements for the year ended March 31, 2018**

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

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

**2. BASIS OF PREPARATION**

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

The accounting policies have been consistently applied by the Company and are consistent with those of previous year.

**2.1 Use of estimates**

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

**2.2 Fixed assets****Tangible Fixed Assets**

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

**Intangible fixed assets**

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

## 2.4 Depreciation

Depreciation on fixed assets is calculated on a written down value method using the rates arrived at based on the useful lives estimated by the management, as prescribed in Schedule II to the Companies Act, 2013, on a pro-rata basis from the date the asset is ready to put to use.

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

## 2.5 Impairment of tangible and intangible assets

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

## 2.6 Inventories

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

## 2.7 Income Tax

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

## 2.8 Revenue recognition

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

### Sale of traded goods

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

### Other operating income

Revenue from other sources have been recognized on accrual basis.

### Interest Income

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

## 2.9 Investments

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

## 2.10 Foreign currency translation - Foreign currency transactions and balances

### Initial recognition

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

### Conversion

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

### Exchange differences

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

**2.11 Employee benefits**

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

**2.12 Earnings Per Share**

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

**2.13 Provisions**

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

**2.14 Contingent liabilities**

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

**2.15 Cash and cash equivalents**

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

**2.16 Deferred Revenue Expenditure**

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

**2.17 Segment Reporting**

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



**Note 2 : Share capital**

SHARE CAPITAL	As at 31.03.2018	As at 31.03.2017
<b>Authorised :</b> 15,00,000 (P.Y. 15,00,000) Equity Share of Rs. 10/- each	15,000,000	15,000,000
<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>Issued, Subscribed &amp; Paid up Capital:</b> 13689750 (P.Y. 13689750) Equity Shares of Rs. 10/- each fully paid up	136,897,500	136,897,500
<b>Total</b>	<b>136,897,500</b>	<b>136,897,500</b>

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

Particulars	Equity Shares	As at 31.03.2018	As at 31.03.2017
	Number	Rs.	Rs.
Shares outstanding at the beginning of the year	13,689,750	136,897,500	120,897,500
Shares issued during the year	-	-	16,000,000
Shares bought back during the year	-	-	-
Shares outstanding at the end of the year	13,689,750	136,897,500	136,897,500

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

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

	As at 31.03.2018	As at 31.03.2017
<b>Shri Kishore Kumar Bansal</b>		
No. of Shares held	1,145,250	1145250
% of Holding	8.37%	8.37%
<b>Shri Kishore Kumar Bansal</b>		
No. of Shares held	741000	741,000
% of Holding	5.41%	5.41%
<b>Shri Manoj Kumar Bansal</b>		
No. of Shares held	3,782,700	3,782,700
% of Holding	27.63%	27.63%
<b>Metal-Grace Injection Alloys Private Limited</b>		
No. of Shares held	900,000	900,000
% of Holding	6.57%	6.57%

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

SL. No.	Date of issue of Fully Paid up Bonus Shares	Number of Bonus Share issued
1	Friday, March 16, 2012	2,048,000
2	Friday, March 15, 2013	4,011,500
3	Saturday, March 22, 2014	4,023,250

### Note 3 : Reserve & Surplus

	As at 31.03.2018	As at 31.03.2017
<b>a. Securities Premium Account</b>		
<b>Opening Balance</b>	43,391,000	<b>11,391,000</b>
Add : Securities premium credited on Share issue	-	32,000,000
Less : Premium Utilised for various reasons	-	-
<b>Closing Balance</b>	<b>43,391,000</b>	<b>43,391,000</b>
<b>b. Surplus</b>		
<b>Opening Balance</b>	145,962,766	106,461,074
(+) Net Profit/(Net Loss) For the current year	47,558,175	39,501,691
(+) Transfer from Reserves	-	-
(-) Declared Dividends(F.Y. 2016-2017)	8,238,330	-
(-) Interim Dividends	-	-
(-) Adjustment for Depreciation	-	-
<b>Closing Balance</b>	<b>185,282,611</b>	<b>145,962,764</b>
<b>C. Capital Investment Subsidy</b>		
<b>Opening Balance</b>	<b>500,000</b>	<b>500,000</b>
(+) Transfer from Reserves		
(-) Adjustment		
<b>Closing Balance</b>	<b>500,000</b>	<b>500,000</b>
<b>Total</b>	<b>229,173,611</b>	<b>189,853,764</b>

**Note 4: Long Term Borrowings**

<b>LONG TERM BORROWINGS</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>Secured Borrowings</b>		
Vehicle Loan From Banks	3,311,559	2,684,957
State Bank of India Term Loan	19,465,696	7,361,065
<b>Total</b>	<b>22,777,255</b>	<b>10,046,022</b>

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

**Note 5: Long-Term Borrowings:**

<b>Particulars</b>	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>
	<b>₹</b>	<b>₹</b>
<b>Unsecured Borrowings</b>		
Axis Bank Limited (Chanel Finance for Purchase from Balco)	98,889,356	70,100,000
<b>Secured Borrowings</b>		
State Bank of India Buyer Credit Account	57,551,646	39,058,786
Cash Credit Limit from State Bank Of India (Secured Against Hypothecation of Entire Stock & Debtors, Equitable Mortgage of Lease Hold Land & Plant & Machinery & Personal Guarantee of both the Directors.)	69,432,153	153,238,483
State Bank Of India (SLC LIMIT) (Secured Against Hypothecation of Entire Stock & Debtors, Equitable Mortgage of Lease Hold Land & Plant & Machinery & Personal Guarantee of both the Directors.)	10,030,486	-
<b>Total</b>	<b>235,903,640</b>	<b>262,397,269</b>

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

**Note 6: Other Current Liabilities**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Advance From Customers	-	3,034,203
Employee Related Liabilities	5,291,339	5,505,354
Other Liabilities	6,096,272	10,822,257
Statutory Liabilities	1,171,072	1,354,416
<b>Total</b>	<b>12,558,683</b>	<b>20,716,230</b>

**Note 7: Short Term Provisions**

Particulars		As at 31 March, 2017	As at 31 March, 2016
		₹	₹
Provision For Current Taxation	24,024,788.88		383,403
Less : Advance Tax, TDS & TCS	21,704,944.00	2,319,845	-
Corporate Social Responsibility		-	653,210
Provision for Gratuity		-	<b>137,741</b>
<b>Total</b>		<b>2,319,845</b>	<b>1,174,354</b>

## Note 8: Trade Payables

Fixed Assets	Balance as at 1 April 2017	Additions	Acquired through business combination	Disposals /Transfer	Balance as at 31 March 18	Balance as at 1 April 2017	Depreciation charge for the year	Adjustment	Transfer	Balance as at 31 March 2018	Balance as at 1 April 2017	Balance as at 31 March 2018
<b>CWD</b>												
Air Conditioner	576,626.95	-	-	-	576,626.95	487,050.00	33,339.00			520,389.00	89,576.95	56,237.95
Aluminum Plant & Machinery (WIP)		1,631,625.00			1,631,625.00							1,631,625.00
Aluminum Plant Shed & Building (WIP)		4,110,952.67			4,110,952.67							4,110,952.67
Computer	2,851,531.68	72,482.22			2,924,013.90	2,479,732.36	214,856.00	0.32		2,694,588.68	371,799.32	229,425.22
Computer-Erp	3,984,473.00	-			3,984,473.00	780,879.00	1,259,133.00			2,040,012.00	3,203,594.00	1,944,461.00
Electrical Equipment	1,950,084.38	1,499,066.03			3,449,150.41	1,826,325.88	202,009.00			2,028,334.88	123,758.50	1,420,815.53
Eot	1,032,697.00	-			1,032,697.00	504,603.00	95,604.00			600,207.00	528,094.00	432,490.00
Factory Shed and Building	9,056,628.13	15,138,310.46			24,194,938.59	4,738,915.10	1,845,036.00			6,583,951.10	4,317,713.03	17,610,987.49
Fork Lift	1,844,149.00				1,844,149.00	1,074,984.00	139,247.00			1,214,231.00	769,165.00	629,918.00
Furniture & Fixtures	823,607.00				823,607.00	611,212.00	52,649.00			663,861.00	212,395.00	159,746.00
Land	13,937,562.00				13,937,562.00					-	13,937,562.00	13,937,562.00
Mobile	431,068.00	50,000.00			481,068.00	196,785.00	113,606.00			310,391.00	234,283.00	170,677.00
New Fad Electrical (WIP)	19,356.00	1,479,710.03		1,499,066.03	-	-					19,356.00	-
New Fad Plant and Machinery(WIP)	5,474,282.02	3,939,728.20			-	-					5,474,282.02	-
New Fad Shed & Building (WIP)	13,874,196.32	1,264,114.14			-	-					13,874,196.32	-
Office Equipment	382,560.00	65,062.50			447,622.50	326,634.00	43,279.00			369,913.00	55,926.00	77,709.50
Plant & Machinery	33,838,860.14	11,192,365.24			45,031,225.38	13,094,693.60	4,823,828.00			17,918,521.60	20,744,166.54	27,112,703.78
Rcc Frame	3,124,296.50	-			3,124,296.50	1,325,341.50	87,615.00			1,412,956.50	1,798,955.00	1,711,340.00
Truck	974,000.00	-			974,000.00	855,914.00	36,883.00			892,797.00	118,086.00	81,203.00
Two Wheeler	261,180.00	-			261,180.00	221,528.00	7,667.00			229,195.00	39,652.00	31,985.00
Vehicles (Four Wheeler)	16,505,998.00	-			16,505,998.00	9,541,319.00	2,168,714.00			11,710,033.00	6,964,679.00	4,795,965.00
Weighing Machine	494,533.00	-			494,533.00	457,091.94	7,397.00			464,488.94	37,441.06	30,044.06
<b>Total (A)</b>	<b>111,437,689.12</b>	<b>40,443,416.49</b>			<b>125,829,718.90</b>	<b>38,523,008.38</b>	<b>11,130,862.00</b>	<b>0.32</b>		<b>49,653,870.70</b>	<b>72,914,680.74</b>	<b>76,175,848.20</b>

**Note 8: Trade Payables**

	GD									
AirConditioner	58,500.00	-	-	58,500.00	27,075.00	-	28,500.00	55,575.00	31,425.00	2,925.00
Computer	90,600.00	-	-	90,600.00	86,069.00	-	-	86,069.00	4,531.00	4,531.00
ElectricalEquipment	1,337,476.00	-	-	1,337,476.00	1,133,102.02	51,040.00	-	1,184,142.02	204,373.98	153,333.98
FactoryShedAndBuilding	5,150,897.65	-	-	5,150,897.65	2,492,646.98	250,729.00	-	2,743,375.98	2,658,250.67	2,407,521.67
Furniture&Fixtures	2,215.00	-	-	2,215.00	2,104.00	-	-	2,104.00	111.00	111.00
GasCylinder	35,521,346.39	-	-	35,521,346.39	26,869,521.00	735,393.00	-	27,604,914.00	8,651,825.39	7,916,432.39
LAND	180,406.00	-	-	180,406.00	-	-	-	-	180,406.00	180,406.00
Plant&Machinery	19,977,906.20	-	6,265,889.20	13,712,017.00	14,789,576.20	925,406.00	(5,962,907.20)	9,752,075.00	5,188,330.00	3,959,942.00
Trolley	1,336,255.00	-	-	1,336,255.00	1,185,679.00	40,045.00	-	1,225,724.00	150,576.00	110,531.00
Truck	1,103,957.00	-	1,520,295.00	2,624,252.00	972,531.00	121,359.00	-	1,093,890.00	131,426.00	1,530,362.00
TwoWheeler	121,522.00	-	-	121,522.00	78,141.00	10,726.00	-	88,867.00	43,381.00	32,655.00
Vehicles(FourWheeler)	614,300.00	-	-	614,300.00	545,113.00	23,114.00	-	568,227.00	69,187.00	46,073.00
WeighingMachine	62,281.00	-	-	62,281.00	59,167.00	-	-	59,167.00	3,114.00	3,114.00
<b>Total(B)</b>	<b>65,557,662.24</b>	<b>1,520,295.00</b>	<b>6,265,889.20</b>	<b>60,812,068.04</b>	<b>48,240,725.20</b>	<b>2,157,812.00</b>	<b>(5,934,407.20)</b>	<b>44,464,130.00</b>	<b>17,316,937.04</b>	<b>16,347,938.04</b>

**Note 8: Trade Payables**

	NGP									
Computer	170,100.00	-	-	170,100.00	156,900.00	3,409.00	-	160,309.00	13,200.00	9,791.00
Furniture&Fixtures	1,438,141.00	-	-	1,438,141.00	1,201,632.00	62,055.00	-	1,263,687.00	236,509.00	174,454.00
OfficeEquipment	216,389.00	-	-	216,389.00	154,257.00	25,910.00	-	180,167.00	62,132.00	36,222.00
RCCFRAME)	3,303,825.00	-	-	3,303,825.00	977,014.00	113,112.00	-	1,090,126.00	2,326,811.00	2,213,699.00
Two Wheeler	87,000.00	-	-	87,000.00	59,158.00	7,129.00	-	66,287.00	27,842.00	20,713.00
<b>Total(B)</b>	<b>5,215,455.00</b>	<b>-</b>	<b>-</b>	<b>5,215,455.00</b>	<b>2,548,961.00</b>	<b>211,615.00</b>	<b>-</b>	<b>2,760,576.00</b>	<b>2,666,494.00</b>	<b>2,454,879.00</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>182,210,806.36</b>	<b>41,963,711.49</b>	<b>32,317,275.91</b>	<b>191,857,241.94</b>	<b>89,312,694.58</b>	<b>13,500,289.00</b>	<b>(5,934,406.88)</b>	<b>96,878,576.70</b>	<b>92,898,111.78</b>	<b>94,978,665.24</b>

**Note 9: Non Current Investments**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Investment in Equity Shares (Unquoted) Share of Sarthak Energy Pvt Ltd (250000 Equity Shares of face value Rs 10/- each)	7,500,000	7,500,000
<b>Total</b>	<b>7,500,000</b>	<b>7,500,000</b>

**Note 10: Long-Term Loans & Advances**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(Unsecured, considered good) Security Deposits	3,653,160	4,920,279
<b>Total</b>	<b>3,653,160</b>	<b>4,920,279</b>

**Note 11: Other Non Current Asset**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Preliminary Exps	1,225,003	1,465,000
<b>Total</b>	<b>1,225,003</b>	<b>1,465,000</b>

**Note 12: Inventories**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Raw Materials and components (Valued at FIFO Method)	121,573,159	85,140,171
Finished goods (Valued at Cost)	28,251,978	13,906,697
Coal, Stores and spares & Rolls Stock(Valued at Cost)	5,645,170	2,429,482
Inventory Consumable goods	46,246	41,500
<b>Total</b>	<b>155,516,553</b>	<b>101,517,850</b>

**Note 13: Trade Receivables**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Outstanding for a period less than six months Unsecured, considered good	281,353,263	293,691,964
Less: Provision for doubtful debts	-	-
Outstanding for a period exceeding six months Unsecured, considered good	9,931,923	4,042,619
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>291,285,186</b>	<b>297,734,583</b>

**Note 14: Cash & Cash Equivalents**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Balance with Banks	1,505,248	74,362,323
State Bank of India Fixed Deposit With Bank (Margin Money)	14,260,280	14,260,280
Cash on Hand	557,965	382,188
<b>Total</b>	<b>16,323,493</b>	<b>89,004,791</b>

Margin money deposits Rs.1,42,60,280/- are subject to first charge to secure the Company's Line of Credit, Buyers' Credit and Bank Guarantees.

**Note 15: Short-Term Loans & Advances**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
(Unsecured, considered good) Advances to Suppliers & Others	28,682,089	32,366,630
<b>Total</b>	<b>28,682,089</b>	<b>32,366,630</b>

**Note 16: Other Current Assets**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Comm Of Custom And Excise	633,122	-
Income Tax Appeal (11-12)	213,680	-
Cst Appeal (08-09)	220,685	-
GST Receivable (as on 31st March 2018)	48,641,025	-
Lease Rent	23,904	-
Interest (Interrst for future Accounted for Against Car Loan)	100,727	-
Vat & Cst Receivable	13,105	-
Security Deposit	2,404,119	-
<b>Total</b>	<b>52,250,366</b>	-



**Note 17: Revenue from Operations**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Sale of products (Refer Note (I) below)	1,977,347,557	1,711,184,388
Sale of services	4,754,736	-
Other operating revenues (Refer Note (ii) below)	-	6,187,880
Less:		
Excise duty	32,831,898	162,794,725
VAT & CST	5,179,722	32,793,743
GST	231,482,040	
<b>Total</b>	<b>1,712,608,633</b>	<b>1,521,783,800</b>

Note	Particulars	As at 31 March, 2018	As at 31 March, 2017
		₹	₹
(i)	<b>Sale of products comprises:</b>		
	Manufactured goods		
	Sales	1,446,210,536	1,298,898,364
	Sales (Consignment)	-	10,660,696
	Sales (Export)	242,180,995	196,337,982
	Sales (Wire Feeder machine)	-	-
	<b>Total - Sale of manufactured goods</b>	<b>1,688,391,531</b>	<b>1,505,897,041</b>
	Traded goods		
	Sales Trading	12,263,866	5,231,464
	<b>Total - Sale of traded goods</b>	<b>12,263,866</b>	<b>5,231,464</b>
	Sale of services		
	Service charges received	4,754,736	4,467,415
	Quality Incentives	-	-
	<b>Total - Sale of Services</b>	<b>4,754,736</b>	<b>4,467,415</b>
	<b>Total - Sale of products</b>	<b>1,700,655,397</b>	<b>1,515,595,920</b>
(ii)	Other operating revenues comprises:		
	Cylinder Charges (Maintenance & handling Charges,Rent)	-	911,672
	Sales ( Scrap )	5,659,793	3,841,558
	Sales ( Empty Drum )	1,538,707	1,420,650
	Cylinder Lost	-	14,000
	<b>Total - Other operating revenues</b>	<b>7,198,500</b>	<b>6,187,880</b>

**Note 18: Other Income**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Duty Drawback	1,887,748	1,416,774
Insurance Claim	2,021,725	-
Profit on Buyer Credit	4,140,244	1,417,148
Cylinder Lost	84,000	-
Dic Interest Subsidy	15,392	1,178,915
Interest Received	126,360	2,225,274
Cylinder maintt.&handling charges	274,509	-
Transport del.& coll.charges	-	5,595,581
Cylinder rent	11,381	-
Profit on sale of fixed Asset	258,318	67,108
Profit on foreign currency transactions (Net)	7,588,328	5,122,925
P/L On Consignment Sales	-	(68,981)
<b>Total</b>	<b>16,408,005</b>	<b>16,954,743</b>

**Note 19: Cost of Materials Consumed**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Opening Stock Raw Material	85,181,671	88,514,073
Add:-Purchases & Expenses ( Net )	1,484,550,904	1,256,512,815
	1,569,732,576	1,345,026,888
Less:- Sales	-	-
Less:-Closing Stock	121,619,405	85,181,671
<b>Total</b>	<b>1,448,113,171</b>	<b>1,259,845,216</b>
Opening Stock Stores & Spares	2,429,482	620,000
Add:-Purchases & Expenses ( Net )	24,927,557	24,899,538
	27,357,040	25,519,538
Less:-Closing Stock	5,645,170	2,429,482
<b>Total</b>	<b>21,711,870</b>	<b>23,090,055</b>
<b>Grand Total</b>	<b>1,469,825,041</b>	<b>1,282,935,272</b>

**Note 20: Change in Inventories**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Opening Stock Of Finished Goods	13,905,442	17,841,870
Opening Stock Of Finished Goods(WIP)	1,255	-
	13,906,697	17,841,870
Less: Closing Stock Of Finished Goods	28,251,978	13,905,442
Less: Closing Stock Of Finished Goods(WIP)	-	1,255
	28,251,978	13,906,697
<b>Total</b>	<b>(14,345,282)</b>	<b>3,935,173</b>

**Note 21: Employee Benefit Expenses**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Salary & Allowances	28,902,651	26,535,536
Leave Salary	1,092,499	1,092,853
Bonus Exps	2,312,130	2,737,160
Labour Payment	2,804,580	-
Gratuity(Based On Acturial Valutaion)	981,285	376,100
Staff & Labour Welfare	676,609	611,316
Provident Fund	1,387,342	782,174
Director Remuneration	5,400,000	9,400,000
ESIC Exps.	525,992	360,678
<b>Total</b>	<b>44,083,088</b>	<b>41,895,817</b>

**Note 22: Finance Costs**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
<b><u>Interest expenses</u></b>		
To Bank & Cash Credit Limit	12,837,981	29,290,470
To Others	13,325,350	-
To Vehicle loans	165,637	106,490
To On LC/Buyers Credit facility	1,095,156	1,147,616
To On Unsecured Loans	-	324,618
Interest on other facilities	313,158	2,879,064
Bank Charges & Commission	6,839,586	34,868
<b>Total</b>	<b>34,576,868</b>	<b>33,783,126</b>

**Note 23: Other Expenses**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Amortized Exps	240,000	480,001
Calcium Management Expenses	-	12,287,128
Clearing And Forwarding	27,537,019	-
Commission & Brokerage	2,344,115	1,295,820
Computer/ERP Exps	858,302	751,707
Consumable stores	800,952	-
Corporation Tax	4,516	4,553
Cylinder Expenses	344,068	-
Destination Exps	709,263	-
Donation Expenses	5,400	-
Entry Tax	5,000	59,979
Garden Exps	36,113	-
Gas Expenses	94,127	22,393
Insurance	1,612,207	1,913,705
Lease Rent, Factory Licence & Rent Expenses	2,057,611	-
Legal & Professional Expenses	1,210,984	3,118,616
Loading And Unloading	97,835	-
Loss on Consignment Sale	57,498	-
Member Fees & Subscription	142,850	298,975
Office Exps.	1,082,521	941,233
Oil & Lubricant	1,116,361	476,606
Payment To Auditors	250,000	227,400
Postage & telegram exp.	8,783	-
Power Charges	22,340,408	13,904,912
Printing & Stationery	651,199	574,829
Professional Tax	17,500	17,500
Property Tax	51,070	332,919
Sales Promotion	322,783	234,905
Sales Tax (CST & CGST)	390	500
Security Guard Exps	987,734	985,050
Service Charges	1,669,297	2,054,569
Sundry Balance Write Off	12,915	-
Telephone Expenses	550,733	473,743
Testing Charges	789,666	702,300
Transportation Exps	25,884,701	50,665,886
Traveling & Convyance Exps(Includes Foreign Traveling Exps)	1,710,883	2,359,989
Vehicle Maintaince & Petrol	1,968,918	1,756,073
Water Charges	9,331	-
Weigment Charges	66,685	-
Bank Charges	-	5,410,665
Consignment Expenses	-	550,562
Discount	-	255
L D Charges	-	322,948
Excise Duty/ Service Tax	-	426,358
Loss on Dollars Hedging	-	(1,241,685)
Miscellaneous Expenses	-	847,851
Rate & Qty. Diff.	-	567,472
Swachchha Bharat Cess	-	159,026
Others	-	36,190
CSR Expenditure	-	903,210
Repair & Maintenance	2,122,530	2,358,622
<b>Total</b>	<b>99,772,267</b>	<b>106,282,763</b>

**Note 24: Exceptional Items**

Particulars	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Debit/(Credit) pertaining To Earlier Year (IT)	1,158,120	(766,009)
<b>Total</b>	<b>1,158,120</b>	<b>(766,009)</b>

**Note 25: Additional Notes to Accounts**

a. Contingent liability not provided for :

Sl. No.	Particulars	As at 31 March, 2018	As at 31 March, 2017
		₹	₹
(a)	Demand Raised By Income Tax Deptt.	-	-
(b)	Demand Raised By Commercial Tax Deptt.	-	-
	Less : Amount Paid For Appeals Preferred	-	-
	Net liability	-	-
(c)	Bank Guarantee/LC Outstanding	5,519,522	9,123,777
	Less : Margin Provided (STDR)	1,42,60,280	14,260,280
	Net liability	-	-

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

c. Expenditure in Foreign Currency

Particulars	2017 - 18	2016 - 17
	₹	₹
Foreign Tour Expenses (Exchange Purchase Cost)	694,675	1,128,787

d. Earnings in foreign currency is Rs. 75 lacs (Previous year: Rs. 51.22 Lacs)

**f. RELATED PARTY TRANSACTIONS:**

During the Year ended March 31, 2018 the Company has entered into several commercial transactions with its related parties. The details of such transactions and names of related parties & nature of relationship are given below:

TRANSACTIONS	KEY MANAGEMENT PERSONNEL	RELATIVES OF KEY MANAGEMENT PERSONNEL	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE BY KEY MANAGEMENT PERSONNEL /RELATIVE OF MANAGEMENT PERSONNEL
Purchases of Materials	-	-	95,050,932
Remuneration	9,650,000	5,548,000	-
Transportation Charges	-	-	-
Rent	-	-	144,000
Sales of goods	-	-	-

**Party wise transactions:**

S. No.	Party Name	Relation	Amount	Type of Transactions
1	Shri Anoop Kumar Bansal	Key Management Personnel	2,400,000.00 300,000.00	Director Salary Bonus / Incentive
2	Shri Manoj Kumar Bansal	Key Management Personnel	2,400,000.00 300,000.00	President Salary Bonus / Incentive
3	Shri Sanjay C. Shah	Key Management Personnel	2,400,000.00 200,000.00	Director Salary Bonus / Incentive
4	Shri Mayur Bhatt	Key Management Personnel	600,000.00 100,000.00	Director Salary Bonus / Incentive
5	Shri Gaurav Agarwal	Relative Key Management Personnel	3,000,000.00 250,000.00	Staff Salary Bonus / Incentive
6	Shri Anirudh Singhal	Key Management Personnel	600,000.00 50,000.00	Staff Salary Bonus / Incentive
7	Itika Singhal	Key Management Personnel	300,000.00	Staff Salary
8	Shri Samarth Bansal	Relative Key Management Personnel	600,000.00 50,000.00	Staff Salary Bonus / Incentive
9	Sakshi Bansal	Relative Key Management Personnel	300,000.00 50,000.00	Staff Salary Bonus / Incentive
10	Shalini Shah	Relative Key Management Personnel	648,000.00	Staff Salary
11	Jaya Bhatt	Relative Key Management Personnel	600,000.00 50,000.00	Staff Salary Bonus / Incentive
12	Bansal Brothers (Trading Div.)	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE	15,648,077.00 147,646.00 164,589.00 343,707.00 3,349.00	Purchase Raw Material Purchase of Packing Material Purchase of Consumable Goods Factory Shed & Building Repair & Maint. Machine
13	Bansal Brothers (FAD)	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE	78,743,564.00	Purchase Raw Material
14	Metal Grace Injection Alloys Pvt. Ltd.	ENTERPRISES OVER WHICH SIGNIFICANT INFUNECE	144,000.00	Rent Paid

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

Shri Manoj Kumar Bansal- Managing Director

Shri Kishor Kumar Bansal-Director

Shri Sanjay Shah-Whole Time Director

Shri Anirudh Singhal-CFO

Shri Mayur Bhatt-Whole Time Director

Mr. Chetan Kumar-Director

Mrs Rama Kohli-Director

CS Itika Singhal-Company Secretary

**2. RELATIVES OF KEY MANAGEMENT PERSONNEL:**

Shri Manoj Kumar Bansal

Shri Samarth Bansal

Smt. Sakshi Bansal

Smt. Shalini Shah

Smt. Jaya Bhatt

Shri Gaurav Agarwal

**3. ENTERPRISES OVER WHICH SIGNIFICANT INFLUENCE EXISTS:**

a. Metal Grace Injection Alloys Pvt. Ltd.

b. Bansal Brothers

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

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

h. Interest Subsidy of Rs. 15,382.00/- had been received from DIC

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

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

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

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

**I DEFERRED TAXES :**

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

	<b>PARTICULARS</b>	<b>AS AT 31.03.2018</b>	<b>AS AT 31.03.2017</b>
(a)	Opening balance of DTL (on account of Time Difference)	1,651,200.93	1,244,933
(b)	Depreciation as per Companies Act for the year	92,898,111.78	10,082,255
(c)	Depreciation as per Income Tax Act for the year	91,820,070.07	11,311,023
(d)	Time Difference (b-c)	1,078,041.71	(1,228,768)
(e)	Tax Liability @ 33.063 % Liability/ Asset	356,400.59	(406,268)
(f)	Closing balance of DTL (on account of Time Difference)	1,294,800.34	1,651,201

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

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Net Profit as per P&L A/c	47,558,175	39,501,692
No. of Shares	13,689,750	13,689,750
Basic & Diluted EPS	3.47	2.89

- n The Company has Rs. 16.27 Lac unrealised gains on foreign currency transactions as on 31st March 2018.
- o There is total long term borrowing as on 31st march 2018 is Rs. 227,77,255.42 out which instalment payable within Twelve Months is Rs,125,27,965/- .
- p Since, company has earned average net profit before tax more than Rs 5 Crores in the last three years, provision for Corporate Social Responsibility is required to be made under Section 135 Of Companies Act, 2013. However, the provision has not been recognised in the FY 2018 Financial Results as the CSR Committee meeting of company was delayed and was conducted post the announcement of Financial Results. The amount recommended by the CSR committee for CSR provision is Rs 12.20 Lacs for FY 2017-18 which SML plans to expend in FY 2018-19 along with any unspent CSR provisions pertaining to earlier financial years.
- q The IPO Proceeds of company were used only for intended purposes as per the Prospectus of the Company. There is no deviation in the utilisation of IPO proceeds.

**As per our Report of even date**

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

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

Sd/-  
**(VIVEK BEGANI)**  
**PARTNER**  
**M.NO. 403743**

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

Sd/-  
**(MAYUR BHATT)**  
**DIRECTOR**  
**DIN : 07586457**

**Place: RAIPUR (C.G.)**  
**Date: 29/05/2018**

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

Sd/-  
**(ANIRUDH SINGHAL)**  
**CHIEF FINANCIAL OFFICER**



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

Notes to financial statements for the year ended March 31, 2017

**Note 22 - Employee Benefits Under AS-15**

**Employee Benefits**

**A. Provident Fund Contribution**

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

**B. Gratuity\***

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

**Amount to be recognized in the Statement of Profit & Loss**

Description	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Current Service Cost	509,962.00	312,320.00
Interest Cost	102,301.00	78,454.00
Net Actuarial Gain recognized during the year	369,022.00	(14,674.00)
	981,285.00	376,100.00

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

Description	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Present Value of the Obligation at the end of the year	2,338,061.00	1,356,776.00
Fair value of plan assets at the end of the year	-	-
Net Liability recognized in Balance Sheet	2,338,061.00	1,356,776.00
Current Portion	168,296.00	137,741.00
Non-Current Portion	2,169,765.00	1,219,035.00

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

Description	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Discounting Rate (Per annum)	7.71%	7.54%
Future Salary Increase (Per annum)	10.00%	10.00%
Mortality	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate		
- Upto 30 Years (per annum)	5.00%	5.00%
- From 31 to 44 Years (per annum)	3.00%	3.00%
- Above 44 years (per annum)	2.00%	2.00%

**C. Compensated Absences**

Description	As at 31 March, 2018	As at 31 March, 2017
	₹	₹
Discounting Rate (Per annum)	7.71%	7.54%
Future Salary Increase (Per annum)	10.00%	10.00%
Mortality	IALM (2006-08)	IALM (2006-08)
Withdrawal Rate		
- Upto 30 Years (per annum)	5.00%	5.00%
- From 31 to 44 Years (per annum)	3.00%	3.00%
- Above 44 years (per annum)	2.00%	2.00%

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

**ATTENDANCE SLIP**

**23rd Annual General Meeting on Friday,  
The 14th September, 2018 at 11 A.M.**

Regd. Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

Client ID/Ben. A/C \_\_\_\_\_

No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 23rd Annual General Meeting of the Company on Friday, 14th September, 2018 at 11.A.M. at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011

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

**Member's/Proxy's name in Block Letters**

**Member's/Proxy's Signature**

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

\_\_\_\_\_















**SARTHAK METALS LIMITED**

CIN: L51102CT1995PLC009772

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