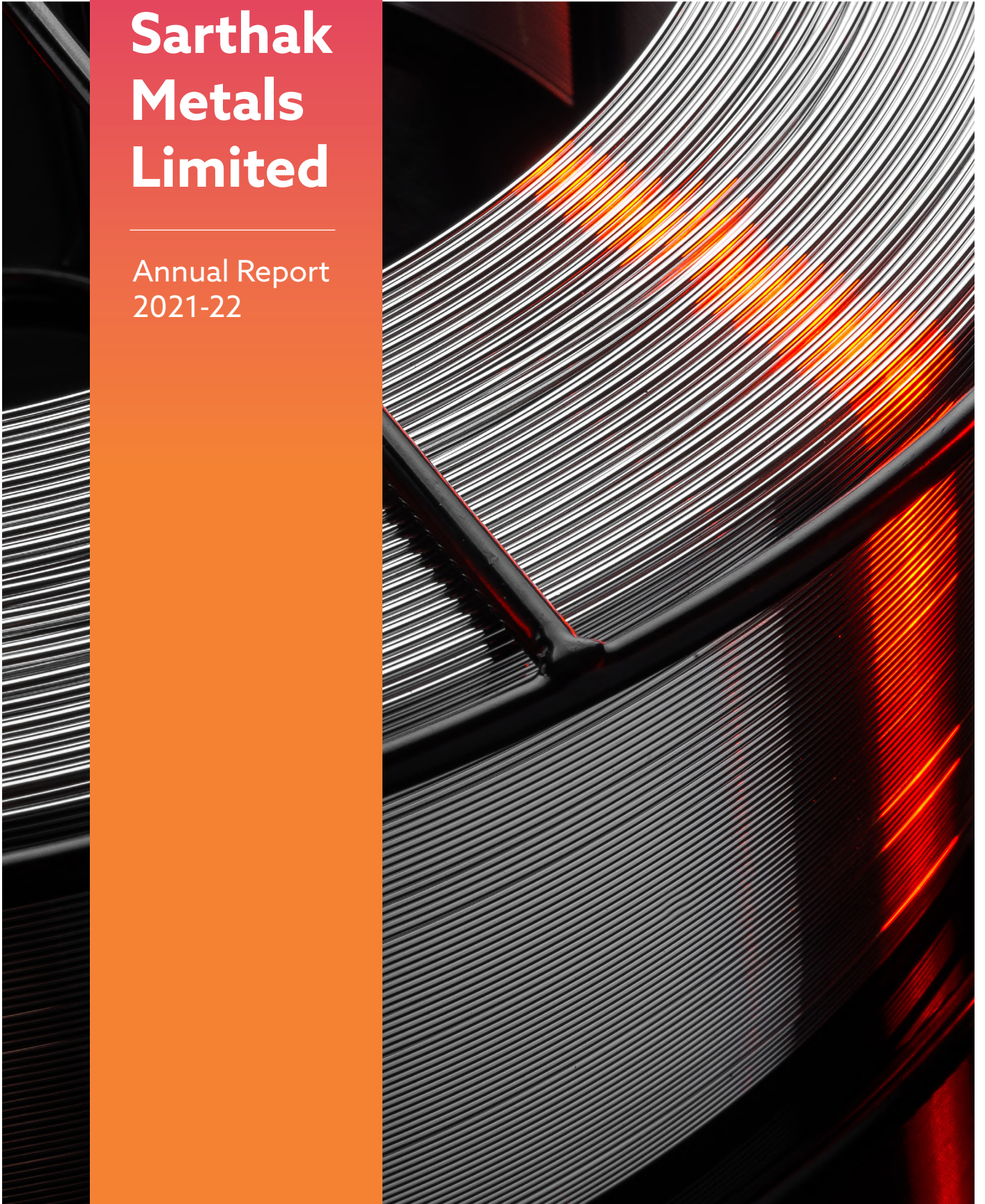




# Sarthak Metals Limited

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Annual Report  
2021-22





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### Safe Harbour Statement

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

## The world of Sarthak Metals

Part of the Desraj Bansal Group, Sarthak Metals Limited ("Sarthak" or "The Company") is India's leading manufacturer and exporter of Cored Wires and Aluminium Flipping Coils. The Company is engaged in providing products and solutions that are targeted to attaining precision in metallurgy and fine-tuning of steel manufacturing. Headquartered in Bhilai, Chhattisgarh, the Company is strategically located in close proximity to a critical steel hub of India.

Sarthak's ISO 9001-2000 certified state-of-the-art manufacturing units enable it to lay focus on rigorous testing and inspection processes, thus ensuring the manufacturing of products that conform to the highest standards of accuracy, consistency and quality. Being an experienced and quality-conscious manufacturer, Sarthak is the preferred supplier of these products to some of India's largest steel giants.



Well-entrenched  
Industry Positioning

### Leading

India's leading metallurgical cored wire and aluminium flipping coil manufacturer

**425+**

Committed workforce

**30+**

Marquee clients, with some of India's largest steel players

Established Capacities

**10,000** TPA

Production Capacity for Cored Wires

**10,000** TPA

Production Capacity for Aluminium Flipping Coils

Best-in-class Execution

**₹ 450+** crores

Sales turnover for FY22

**28** %

Revenue from Operations CAGR between FY18-22

**55** %

Profit after Tax CAGR between FY18-22

**Strong Parentage**

Sarthak Metals Limited is part of the 25 year old Desraj Bansal Group ("DB Group" or "The Group") based out of Bhilai, Chhattisgarh. To cater to the growing metallurgical needs, the Group had its early foundation in the industry with the manufacturing of industrial oxygen and carbon dioxide. With time and through experience, it later ventured into modern metallurgical solutions such as Cored Wires first, and then went on to manufacture Aluminium Flipping Coils and wire feeder machines later. Housed under 3 group entities, the DB Group has 5 fully-functional state-of-the-art manufacturing facilities located

in Bhilai, Chhattisgarh. Today, the ₹ 650+ crores\* DB Group is a leading business group with interests in the Metals and Energy sector.

Over the last three decades, the Company's best-in-class quality products, reliable service and consistent delivery have enabled it to create a stellar reputation for itself in the metals & metallurgy industry. This has facilitated the Group to cater to some of the largest and most renowned players in India and abroad, thus adding to an enviable list of clientele.



**₹ 650+** crore  
Group Turnover in FY22

**5**  
Manufacturing Facilities

**3**  
Group Entities


**Group Entities**



**Sarthak Metals**  
India's premier metallurgical cored wire and aluminizing flipping coil company



**Sarthak Energy Private Limited**  
DB Group's energy arm, with 2 MW of renewable energy assets located at Bhilai



**Bansal Brothers**  
DB Group's ferroalloys operations arm, with an installed capacity base of 6,000 TPA located at Bhilai

\*Provisional figure

**Key milestones**

With a history of 25 years, Sarthak has a lot to reminisce over. From its formative years in the industry to becoming a listed entity on

the stock exchanges, Sarthak has truly evolved into a name that stands for quality and excellence in the field of metallurgy. It firmly

believes that its best years are ahead of it, and is therefore geared to take monumental strides in that direction.

Reported record growth in Revenue from Operations and crossed the ₹ 450+ crore topline benchmark

**2022**

Commenced production of Aluminium wire rods, adding backward integration for flipping coils, with the intention of significantly expanding operations in this segment

**2018**

Started manufacturing cored wire feeder machines that are used to unwind cored wire rolls into steel ladles

**2012**

The Company entered into manufacturing modern metallurgical solutions in the domain of wire injection technology i.e. Cored Wires, with its in-house designed and developed cored wire mill

**2002**

**2021**

Migrated from BSE SME exchange to BSE & NSE Mainboard Platforms on 23<sup>rd</sup> November 2021

**2017**

Raised funds through its Initial Public Offer and got listed on BSE SME

**2008**

In an effort to further strengthen its offerings, the Company commenced production of Aluminium Flipping Coils with its first in-house mill

**1995**

Sarthak Metals commenced operations with an industrial gases unit, manufacturing industrial-grade oxygen and carbon dioxide, and catering to industrial units in its vicinity

## Modern metallurgical solutions for fine tuning steel

Sarthak is a specialist in providing modern metallurgical solutions that are actively used in fine-tuning steel manufacturing, and catering to critical functions such as introducing specific characteristics in steel-making such as de-oxidising, grain refining, nitride forming, and acting as an alloy for manufacturing different grades of steel. Having worked in this industry for nearly three decades, closely aligned with some of the most prominent players, the Company has an excellent understanding of quality requirements in this industry. The Company has two primary product categories, i.e. Cored Wires and Aluminium Flipping Coils. In addition, the Company also produces Cored Wire Feeder Machines.

**16**  
Total SKU's

**3 Decades**

The Company has an excellent understanding of quality requirements in this industry

**Cored Wires**

An indispensable part of the metallurgical industry

**Premier**  
India's premier Cored Wire manufacturer



**46 %**  
Revenue share from Cored Wires in FY22



**54 %**  
Revenue share from Aluminium Flipping Coils in FY22



**Aluminium Flipping Coils**

a more cost-effective and efficient way of using aluminium in metallurgical applications as compared to notch bars, ingots, shots and other forms



### Cored Wires

#### About

Cored wires are continuous steel tubes that are filled with different alloys and injected into molten metal to introduce a variety of characteristics in the end product. The primary functions of these products are in steel refining, alloy addition, modification of inclusion, deoxidation, desulphurisation and dephosphorisation of the heat (molten metal). Cored Wires help maintain a high production speed and control the accuracy of the chemical elements in casting. They are the best available method of refining hot metal, maximising the recovery yield and purity of the molten metal.

#### Key Products Manufactured

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

#### Wire Injection over Single-shot Addition

Cored Wires, deduced through wire injection technology, are a substitute for the single-shot addition method of adding alloys into molten metal for purification and recovery. In the older-generation single-shot addition, lumps of ferroalloys and minerals were dumped into the steel ladle, causing a significant disadvantage of settling said lumps at the bottom of the ladle before melting homogeneously into the heat/molten metal. The Cored Wires eliminate this disadvantage and help in uniform and homogeneous mixing of alloys in the ladle. Therefore, making it a more accurate and efficient process of adding chemical elements into the casting. Today, Cored Wires have become an indispensable part of the metallurgical industry.



### Aluminium Flipping Coils

#### About

Aluminium is one of the strongest and most commonly used deoxidizers in the steel-making process. It is well known for its fast reaction and reasonably lower deoxidation cost. Aluminium Flipping Coils are primarily used in steel-manufacturing/metallurgical processes to de-oxidize the molten metal and act as an alloying element to manufacture specialised steel grades. The key application of Aluminium flipping coil in steel making is its use as a deoxidizer, grain refiner, nitride former and alloying agent in steel, for both flats and structures.

Its ability to scavenge nitrogen and promote the formation of "pancake" ferrite grains led to its widespread use in drawing quality steels, especially for automotive applications. Furthermore, aluminium improves strength in low-carbon steels by fixing the interstitial nitrogen. As a result, Aluminium Flipping

Coils are a more cost-effective and efficient way of using aluminium in metallurgical applications as compared to notch bars, ingots, shots and other forms.

#### Applications beyond metallurgy

Aluminium wire rods and coils have a wide range of applications beyond metallurgy, especially for electric-grade wire rods. These rods are used to make cables and wires to conduct electricity, which is extensively used by the State Electricity Boards, Power Distribution Companies and other power grids for electricity transmission. Even though the Company is only focused on the metallurgical applications of this product category currently, it is open to evaluating other applications beyond this category in the future.



### Cored Wire Feeder Machines

Having established itself as a fully integrated organisation, Sarthak engages in delivering quality cored wire feeder machines. The Company offers a wide range of customised machines, with 2 and 4 strand options that can draw wires from 5 to 15 mm in diameter with a speed of up to 300 metres per minute. These Feeder Machines are designed to inject Cored Wires into molten steel for metallurgical process control.

Further, in keeping with the growing capacity additions of the Indian steel industry, the Company is pursuing a proactive go-to-market strategy to install its wire feeder machines at customer plants. This will allow us to be a one-stop solution for our client's needs and help generate consistent and repeat business for our core Cored Wires product category.

Serving steel industry leaders



Sarthak boasts of a strong clientele that includes India's leading steel players. Through sheer perseverance, the Company has come a long way to become the preferred supplier of all the top 5 steel giants in India. These relationships have been built over years of trust and quality delivery. Today, the Company has secured assured levels of business with each of these customers. Moreover, the Company is proudly associated with over 20 customers with whom it has shared a relationship of over a decade.

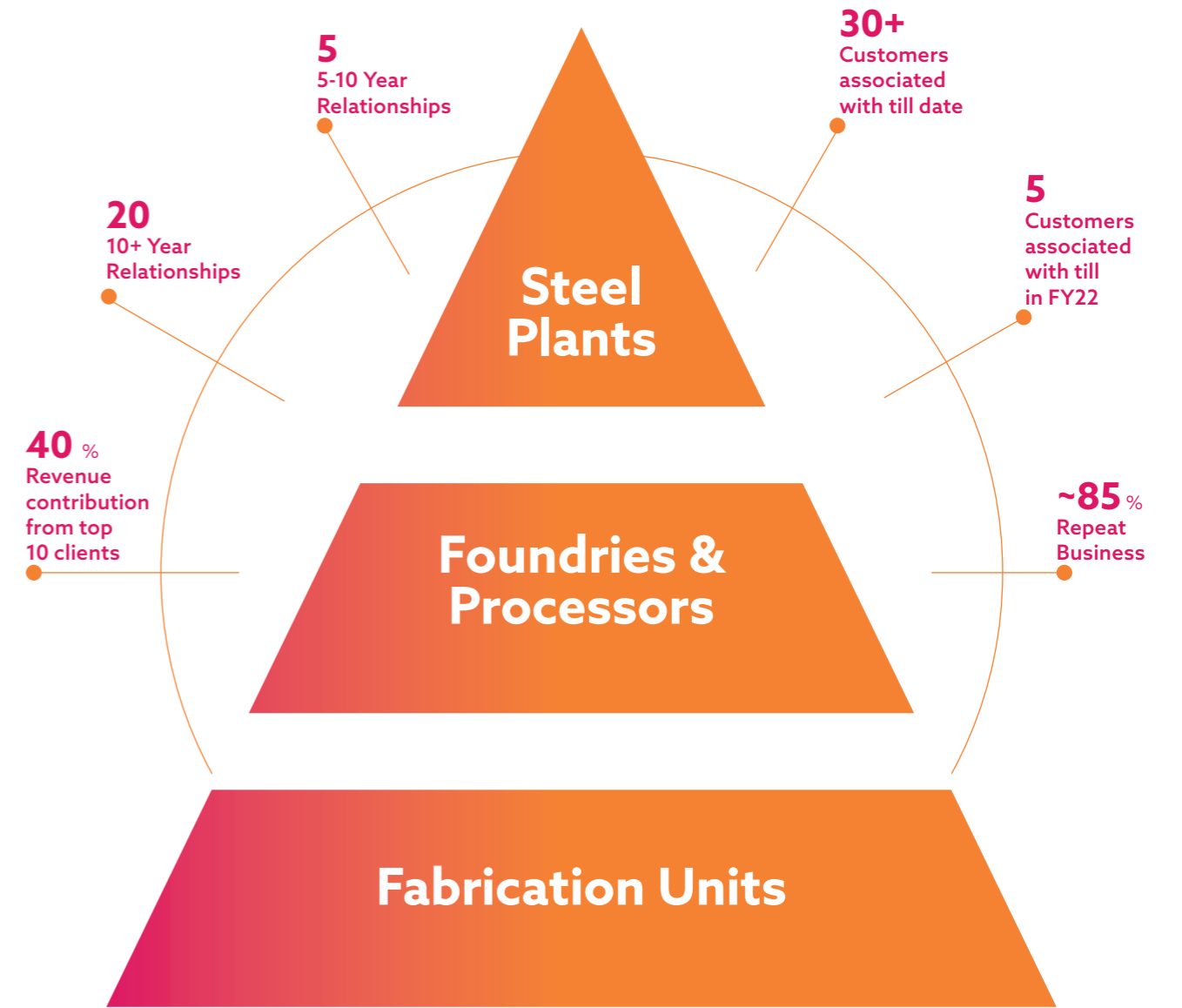
Adding to this is Sarthak's impeccable reputation of delivering on time, always. To date, it has a 100% track record of delivering on all its orders and not backing out on a single order, even through the most challenging times, such as the recent pandemic, where the industry

witnessed unprecedented volatility in commodity prices, and disruptions in supply-chain. The Company understands that quality and on-time delivery are the factors that will differentiate it from its peers. As a result, it has consistently generated repeat business from its customers, this year to the tune of 85%. Furthermore, the Company works closely with its customers and is directly engaged with them for all of their requirements.

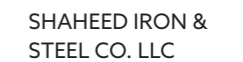
Domestic Clients



Key Customer Segments



Export Clients



Assets that solidify our position

Focussed on quality and timely delivery, Sarthak's manufacturing units are equipped with state-of-the-art technology, enabling it to cater to the diverse needs of its customers. In addition, the Company's world-class manufacturing facilities, strategically located in proximity to its key customers, facilitate it to serve them at short notice. Currently, Sarthak operates 4 lines for manufacturing Cored Wires and 2 lines for Aluminium Flipping Coils.

Sarthak builds its own manufacturing lines attuned to the Company's specific needs. Its in-house team and facilities help fabricate its own manufacturing lines, allowing a faster turnaround time for capacity additions. Sarthak's experienced R&D team supports these facilities, who not only develop value-added products for the customers but also create new industrial processes and optimise existing ones to reduce costs while improving quality.



2 Manufacturing facilities located in Bhilai, Chattisgarh

4 Manufacturing lines for Cored Wires

2 Manufacturing lines for Aluminium Flipping Coils

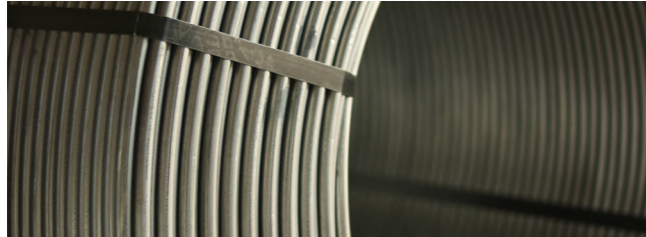
~5,40,000 SQFT Plant area

45 % Unused land available for future expansion

5 R&D team members

Manufacturing Capacities

Cored Wires



**10,000** TPA  
Current Production Capacity

**~12,500** TPA  
Post Expansion Production Capacity

Aluminium Flipping Coils



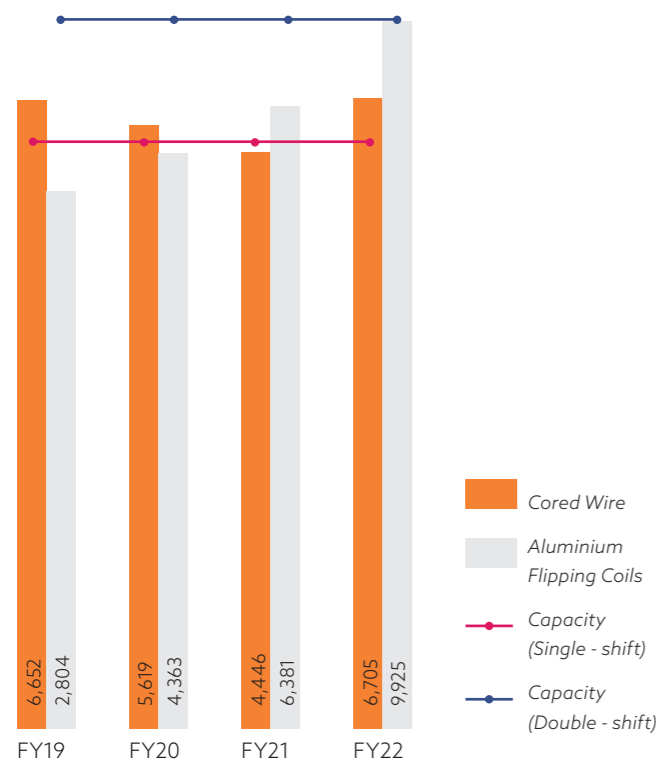
**10,000** TPA  
Current Production Capacity

**~15,000** TPA  
Post Expansion Production Capacity

Capacity Expansion

Sarthak has decided to add incremental capacity for both of its key products, which is in line with its growth plans, as well as bearing in mind the growing capacity utilisation of the Company's manufacturing assets. It aims to achieve an additional 50% capacity enhancement in the Aluminium Flipping Coils category and an additional 25% in the Cored Wires category, in the coming financial year.

Capacity Utilization



Quality first approach

Sarthak is known for its timely delivery and excellent quality products, which are its key differentiators. Its ISO 9001:2008 certified manufacturing facilities, equipped with sophisticated machinery and testing equipment, ensure adherence to the highest production and quality standards. In addition, the Company's fully-functional state-of-the-art chemical lab, equipped with world-class technology such as Atomic Absorption Spectrophotometer, is the first step of quality check for its raw materials. After that, its stringent quality checks at every step in the value chain enable it to deliver its customers the exact quality that they desire.

In all these years, Sarthak has earned a name for itself and has become the preferred supplier to major steel plants in India. This is attributable to the Company's Chemical Lab, among other things, which is handled by well-trained lab assistants that check for the desired chemical composition in finished products before dispatch.



Warehousing Capabilities

In an industry such as Sarthak's, ensuring a reliable and uninterrupted supply of products to customers is a prerequisite. While selecting a supplier, the customers differentiate and make their choice based on these factors, which is especially true given the critical applications of Sarthak's products. Therefore, the Company has developed significant warehousing

facilities for storage of both raw materials and finished goods, to strengthen its supply chain further and consolidate its position as the preferred supplier for leading Indian steel plants.



**1,500** SQMT  
Material storage space

**Sufficient**  
Space to stock finished products as well



**2,800** SQMT  
Material storage space

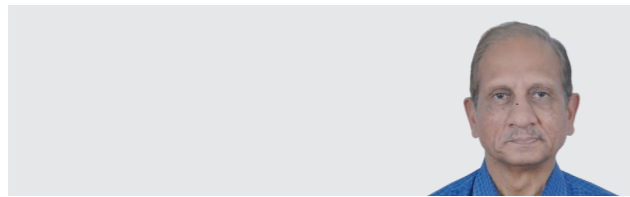
**Sufficient**  
Space to stock finished products as well

**2,000+** Tonnes  
Stock storage capacity, equivalent to 3 months buffer stock

**4,000+** Tonnes  
Stock storage capacity, equivalent to 4 months buffer stock

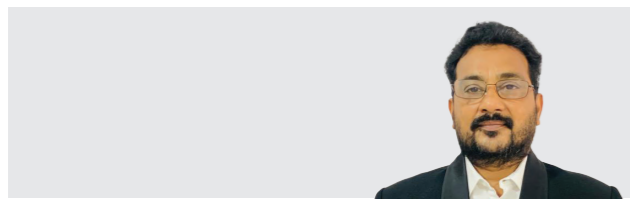


Leading by example



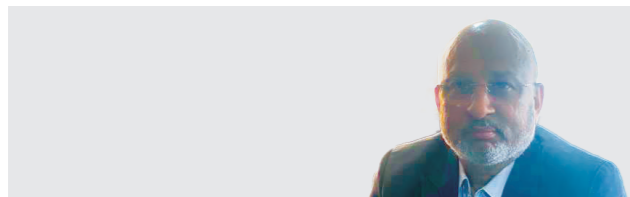
**Mr. Sunil Kumar Agarwal**  
 Chairman & Non Executive, Non Independent Director  
 A N S C

Mr. Agarwal has a vast experience with many esteemed organisations that include working with GCET Raipur and Indian Railways Traffic Services. He has also served in many prestigious roles with the Ministry of Railways, such as Divisional Railway Manager, Chief Commercial Manager SEC Railway, Chief Operating Manager and additional member to the Ministry of Railways. Mr. Agarwal holds a Bachelor's Degree in Mechanical Engineering (Honours).



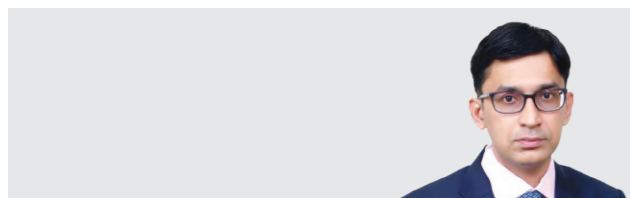
**Mr. Anoop Kumar Bansal**  
 Managing Director

Mr. Bansal has been instrumental in strategic planning and decision making for the organisation. Borrowing from his extensive experience, he contributes by lending innovative commercial ideas, execution-led solutions, and an overarching vision for the Company's success. He has also managed and supervised operations of DB Group's ferroalloys division and the Company's industrial gases division (which was sold in 2021). In addition, he leads the CSR initiatives for the Company. Mr. Bansal holds a Bachelor's degree in Commerce from Nagpur University.



**Mr. Sanjay Shah**  
 Whole-time Director

Mr. Shah's contribution towards establishing the domestic business of Sarthak has been noteworthy. He has led the Company to empanel itself with leading steel institutions of the country, which augurs well for Sarthak, as today, it works with the largest steel mills of the country. Mr. Shah is also the Head of the Marketing team at Sarthak.

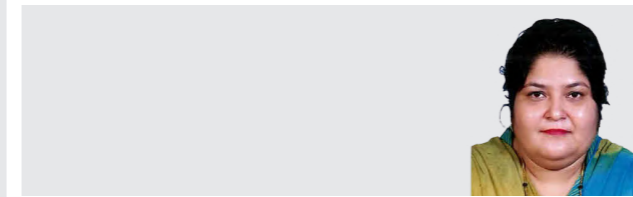


**Mr. Mayur Bhatt**  
 Whole-time Director & CEO

Mr. Bhatt's contributions have been very valuable for Sarthak. Apart from being an essential link between the production and sales functions of the organisation, he also manages the day-to-day business and financial affairs of the Company. In addition, he also contributes significantly to raw materials management for the Company.

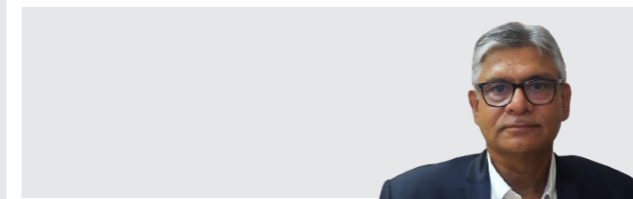
Board Committees

- M:** Member
- A:** Audit
- S:** Stakeholder Relationship
- C:** Chairperson
- N:** Nomination and Remuneration
- C:** Corporate Social Responsibility



**Ms. Rama Kohli**  
 Non-Executive Independent Women Director  
 A N S C

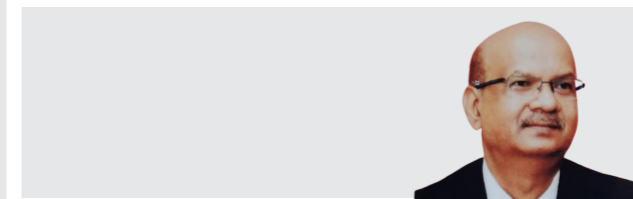
Ms. Kohli undertakes various management advisory activities at Sarthak. She holds a Bachelor's Degree in Science and a PGDBM from Pt. Ravishankar Shukla University, Raipur.



**Mr. Sunil Dutt Bhatt**

A N S C

Mr. Bhatt has a rich experience of 35 years with SAIL, wherein he was a part of the department of Instrument and Weighing in the Bhilai Steel Plant. He has recently joined the Company's board in 2021, after his retirement in 2020.



**Mr. Dwadasi Venkata Giri**  
 Non-Executive Independent Director  
 A N S C

Mr. Giri has vast experience in banking and finance domains. He holds a Master's degree in Commerce from Pt. Ravishankar Shukla University, Raipur. He holds qualifications as an LLB and CA IIB from Raipur.

Second Generation of Leaders



**Mr. Samarth Bansal**

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



**Mr. Sagar Shah**

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



**Mr. Sarthak Bansal**

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

Strategies for a better tomorrow



**Expanding Capacities**

In the wake of growing market demand and increasing utilisation levels, and in line with the Company's growth plans, Sarthak is focussing on capacity augmentation in both of its product categories. With the addition of a furnace, up to 50% increase in capacity is planned in the Aluminium Flipping Coil vertical, taking the total installed capacity to 15,000 TPA. In the Cored Wire vertical, the addition of a new manufacturing line is estimated to increase capacity up to 25%, taking the total installed capacity to 12,500 TPA. These efforts are towards ensuring that the growth ambitions in the existing lines of business are delivered in the coming years.

**50% Increase**

With the addition of a furnace, up to 50% increase in capacity is planned in the Aluminium Flipping Coil vertical, taking the total installed capacity to 15,000 TPA.

**25% Increase**

In the Cored Wire vertical, the addition of a new manufacturing line is estimated to increase capacity up to 25%, taking the total installed capacity to 12,500 TPA.

**Strengthening Export Business**

In a bid to pursue higher growth rates, it is imperative that Sarthak taps into crucial export markets that offer higher potential for growth. Being engaged in exports since 2014, the Company has a worldwide footprint with a presence in Turkey, Brazil, South Africa, Oman, Bulgaria, Australia and South Korea. In the times to come, the Company aims not only to add more countries to the bouquet it caters to but also to deepen its ties in export markets where it already has an established presence. These steps would not only enable the Company to grow at a rate higher than the domestic industry benchmark but also allow it to hedge against the cyclicality of any one particular market i.e. at present the Indian market. In addition, having a balanced revenue stream, spread internationally over multiple countries, would also enable the Company to optimise its realisations.



**Strategic Projects: Integration in value-chain & Diversification**

In the recent past, the Company has continued to consolidate its position and market share as a leading supplier in the Indian market. The Company is deeply committed to strategic projects to enable the continued maintenance and betterment of its growth trajectory and further strengthen its business model. These projects focus on integration in the value chain as well as diversification. To this effect, the Company is seeking to integrate itself into its value chain, possibly for raw materials or even value-additions to its existing products. The Company also aims to diversify its business by delving into adjacent product categories, where the breadth of opportunity may be more comprehensive. In line with its expansion plan, the Company has recently acquired 5 acres of land adjacent to its existing facilities, which may be used for expansion projects in the future.

**Integrate**

The Company is seeking to integrate itself into its value chain, possibly for raw materials or even value-additions to its existing products.

**Diversify**

The Company also aims to diversify its business by delving into adjacent product categories, where the breadth of opportunity may be more comprehensive.

**Alternate Applications of Existing Products**

The Company also plans to consider the possible alternate applications of its existing products, where opportunities are significantly large and beyond metallurgy. At present, its offerings are geared towards the metals and metallurgical industries. However, for instance, the application of the Company's Aluminium Flipping Coils in the electrical industry has the potential to render itself to a wide range of products, thereby significantly increasing the addressable market opportunity for the Company.

**Aluminium Flipping Coils**

The application of the Company's Aluminium Flipping Coils in the electrical industry has the potential to render itself to a wide range of products.

Bringing Sarthak's vision to life

**Inputs**

₹  
Financial  
**₹ 77.94** crores  
Net worth

₹  
Debt  
**₹ 22.33** crores

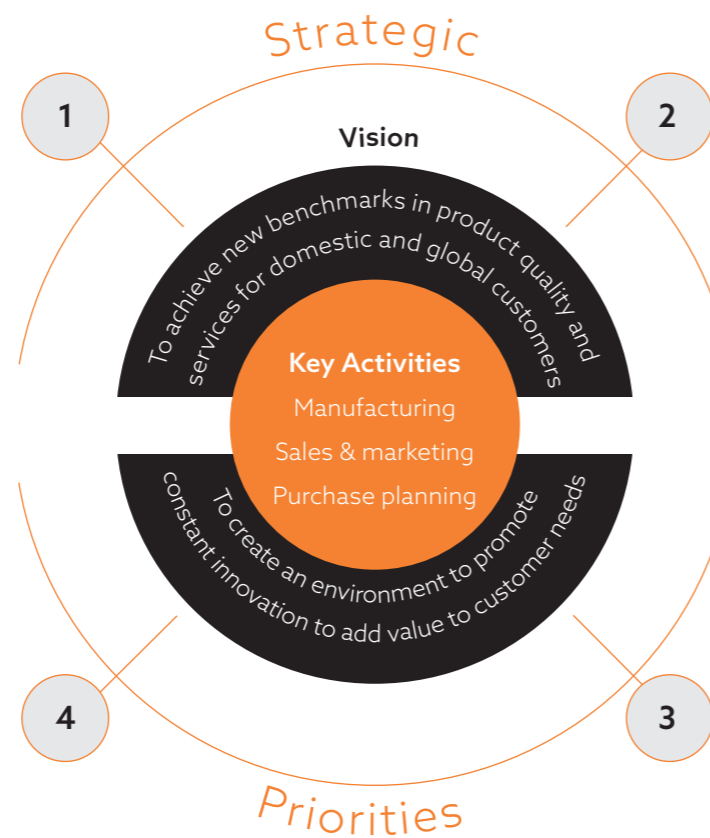
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State-of-the art  
Manufacturing setup  
**2**  
manufacturing facilities in  
Bhilai, Chattisgarh

**Superior**  
warehousing capabilities

**State-of-art chemical laboratory**

Value creation

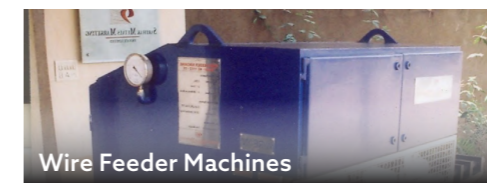
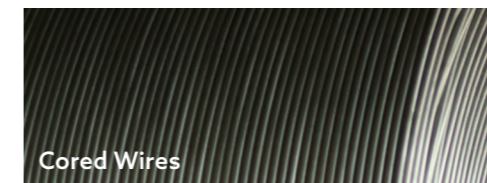


1. Expanding Capacities
2. Strengthening Export Business
3. Strategic Projects: Integration in value- chain & Diversification
4. Alternate Applications of Existing Products

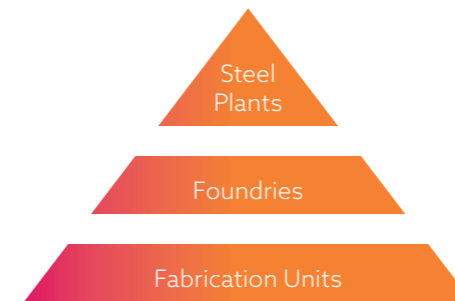
Outputs

Value Proposition

Quality products for metallurgical industry as per client specifications



Customer Segments catered



Key Relationships garnered

- 85% repeat business generated
- Long standing customer relations based on trust & quality
- Directly engaged with all the customers
- Cordial relationships with suppliers

Outcomes

₹  
Financial  
**₹ 457.30** crores  
Revenue

₹  
EBITDA  
**₹ 39.83** crores

₹  
PAT  
**₹ 27.48** crores

₹  
EPS  
**₹ 20.07**

Superior manufacturing capabilities  
**10,000** TPA  
Capacity for Cored Wires

**10,000** TPA  
Capacity for Aluminium Flipping Coils

Leadership  
Among India's leading manufacturer of metallurgical cored wires

## Numbers that tell our growth story

Over the years, Sarthak has taken judicious decisions that have led it to meet and exceed its performance expectations in FY22. The Company's vision, its strategies and its experienced management are the reason for its success, and it believes that this enhanced performance is a culmination of these concerted efforts. Going forward, the Company will endeavour to remain on track with its financial goals and is certain that it will deliver value to its stakeholders for many years to come.

 CAGR (FY18-22)

### Revenue from Operations (in ₹ crores)

28 CAGR %

FY	Revenue from Operations (in ₹ crores)
FY18	171.26
FY19	189.26
FY20	214.17
FY21	221.71
FY22	<b>457.30</b>

### Operating Profit (in ₹ crores)

40 CAGR %

FY	Operating Profit (in ₹ crores)
FY18	10.31
FY19	12.00
FY20	11.24
FY21	16.59
FY22	<b>39.83</b>

### Operating Profit Margin (in %)

FY	Operating Profit Margin (in %)
FY18	6.0
FY19	6.3
FY20	5.2
FY21	7.5
FY22	<b>8.7</b>

### Profit After Taxes (in ₹ crores)

55 CAGR %

FY	Profit After Taxes (in ₹ crores)
FY18	4.76
FY19	5.76
FY20	4.62
FY21	7.99
FY22	<b>27.48</b>

### Equity (in ₹ crores)

21 CAGR %

FY	Equity (in ₹ crores)
FY18	36.61
FY19	42.37
FY20	46.17
FY21	53.10
FY22	<b>77.94</b>

### Total Debt to Equity (in ratio)

FY	Total Debt to Equity (in ratio)
FY18	0.71
FY19	0.85
FY20	0.51
FY21	0.59
FY22	<b>0.29</b>

### Working Capital Days (in number)

FY	Working Capital Days (in number)
FY18	60
FY19	58
FY20	52
FY21	71
FY22	<b>54</b>

### ROCE (in %)

FY	ROCE (in %)
FY18	22.9
FY19	22.8
FY20	18.5
FY21	24.7
FY22	<b>46.9</b>

### ROE (in %)

FY	ROE (in %)
FY18	13.0
FY19	13.6
FY20	10.0
FY21	15.1
FY22	<b>35.3</b>

## From the Managing Director's desk



## Dear Shareholders,

It is a matter of great pride for me to address you and update you about our Company's stellar growth story. The past year has been an eventful period during which Sarthak Metals has grown from strength to strength, surpassing expectations and charting a promising path for the future. During this time, we have effectively consolidated our gains and laid the foundation for another year of achievements.

Last year was one which showed a trend of strong growth in the Indian steel industry. While India's total crude steel output in 2020 stood at 100.3 MT, in 2021, that figure showed a whopping 18% growth YoY, taking the output figure to 118.1 MT. The increase in supply was premised on a robust growth in demand

**Increased supply was premised on a robust growth in demand contributed by industries such as construction, heavy industries, capital goods, consumer durables, and infrastructure projects, backed by governmental impetus**

contributed by industries such as construction, heavy industries, capital goods, consumer durables, and infrastructure projects, backed by governmental impetus. These factors enabled India's growth in steel production to be the highest amongst the top 10 steel producers globally in 2021. The country's steel industry also consolidated its position to become the second-largest in the world, followed by Japan and the United States of America. Being a critical ancillary to the steel industry, not only did our Company benefit from these upward trends but is also buoyed by the fact that the industry outlook for the coming years also remains robust.

The boost in demand, both domestically and in the export market, coupled with the record crude steel production in the country, enabled the Company to consolidate its market share in both its Cored Wires and Aluminium Flipping Coils. The surge in demand as well as the uptick in the production of crude steel, allowed the Company to produce and sell record quantities of its products, thus giving a significant thrust to its top line for the financial year 2021-22.

**51% Increase**  
Cored Wires saw a 51% increase in volumes this year, taking the manufactured quantity to 6,705 tonnes.

Cored Wires saw a 51% increase in volumes this year, taking the manufactured quantity to 6,705 tonnes. Further, an average 37% increase in realisations also contributed to a 107% increase in the turnover for these products. When it comes to Aluminium Flipping Coils, it witnessed a 51% increase in volumes, taking its output to 9,925 tonnes. An increase in realisations by 60% enabled this vertical to clock an impressive 149% increase in turnover. In doing so, for the first time since the Company's inception, the turnover of the Aluminium Flipping Coils vertical surpassed that of the Cored Wire segment.

The Company's robust fundamentals and strategic outlook enabled it to not only set these impressive records but also tide over market cyclicality as well as the volatility in commodity prices in the past year or more. In doing so, the Company has been able to successfully maintain its profitability margins on a full-year

basis. Further, given its significant increase in the scale of operations, the Company has also been able to optimise operating leverage to maximise profitability during the financial year.

The growth of the Company has been bolstered by the faith that you as investors have reposed in us since our foray into the capital market in 2017. In the five years since then, the Company has achieved backward

**350% Increase**  
Since the backward integration of Aluminium Flipping Coils by manufacturing aluminium wire rods in 2018, we have witnessed an increase in volumes by about 350% in this category.

integration for Aluminium Flipping Coils by taking up the manufacturing of aluminium wire rods since 2018. Since then, the scaling-up of this vertical has translated into an increase in volumes by about 350% in this category. The progress of the Company is also evidenced by the fact that, on November 23, 2021, the

Company migrated from the SME segment of BSE to the Main Boards of both BSE and NSE.

The cash flow from the operations of the Company has been duly utilised to enable it to strengthen its fundamentals, and a solid trajectory is planned for it in the time to come. The Company's financial leverage, i.e. the Debt-to-Equity ratio, has been reigned in from 0.59 in 2020-21 to 0.29 in 2021-22, on the back of a reduction of the debt obligation and a growth in equity. In addition, the surpluses have enabled the Board of the Company to declare two dividends in the past years, totalling to INR 2 per share, with the second of the two pending shareholders' approval in the coming general meeting. The Company also aims to add capacities in the coming year to the tune of up to 50% in Aluminium Flipping Coils and up to 25% in Cored Wires, to keep pace with the growing crude steel production in the country and the augmented capital expenditure planned by its customers. Even otherwise, the Company is in the process of evaluating opportunities within its value chain and having synergies with its product categories in order to

expand its capabilities as well as its capacities.

All in all, if the past year is anything to go by, Sarthak Metals is poised to further grow its business and enhance its capacities in the time to come. With your continued support and steadfast commitment, we are confident that we will be able to take the Company to newer heights.

Yours sincerely,

**Mr. Anoop Kumar Bansal**  
Managing Director

## Management Discussion and Analysis

### Indian Steel Industry

#### Overview

Steel is a fundamental sector globally and is one of India's core industries, contributing to more than 2% of the country's GDP. In the years to come, the importance and the growth of this industry is only likely to increase. 2021 was a significant year for Indian steel production, which stood at record 118.1 MT, accounting for a growth of roughly 18% over 2020 and denoting the fastest growth rate among the top 10 steel producers globally.

As of 2021, India is the world's second-largest producer of crude steel, followed by Japan and the United States. In the last financial year, the production of crude and finished steel stood at 98.39 MT and 92.82 MT, respectively. Parallely, during the same period of time, the consumption of finished steel stood at 86.3 MT. The steel sector has also been a major contributor to India's manufacturing output. In the past five years, India's per capita steel consumption has also increased significantly from 57.6 kgs to 74.1 kgs.



**118.1** MT  
India's steel production in 2021

**18** %  
Growth in steel production over 2020

**2<sup>nd</sup>** Largest  
India has become the world's 2<sup>nd</sup> largest producer of crude steel, ahead of Japan and United States

**12.88** MT  
Finished steel export in FY22 (until January 2022)

**10.79** MT  
Finished steel export in FY21

**19.4** %  
Growth in steel exports over FY21

As per the National Steel Policy, which was released in 2017, India is slated to achieve a total steel production capacity of 300 MT by 2030-31, while also aiming to become self-sufficient when it comes to manufacturing of some specialty grades of steel. This capacity expansion and demand growth is expected to leverage ₹ 10 lakh crore incremental capital infusion planned in this sector as well as the 30 GW power supply expected to be provided to the steel business. While India's steel industry currently employs more than 20 lakh people directly or indirectly, the planned impetus is expected to create an additional 36 lakh jobs by 2031, thereby directly contributing to the country's overall economic growth. India enjoys various favourable factors for the growth of the steel industry, including domestic availability of raw materials such as iron ore and cost-effective labour, which have contributed significantly to the country achieving net export of steel since the recent past. In FY22, India recorded the highest ever finished steel export, with the price rise in the international markets prompting Indian industries to boost their exports significantly.

#### Growth Enablers

In the last decade, the Indian government has taken several measures to strengthen its economy and infrastructure. Its constant efforts to promote steel-consuming industries that include railways, housing and power transmission augurs well for companies like Sarthak. In railways specifically, demand for steel is on the rise as projects such as rail track electrification, dedicated freight corridors, high-speed rail networks gain momentum. Moreover, favourable policies by the Indian Government create a conducive environment for existing industry players, while encouraging new players to join the wagon. This includes reducing basic custom duty

from 7.5/5% to 2.5%, on plants and equipment required for initial set up or expansion of iron ore pellets plants and iron ore beneficiation plants. In addition to this, increase in consumption of capital goods and consumer durables is also driving demand growth of steel in the country.

As per the Union Budget 2021-22, the Government initiatives expected to drive India's steel consumption in the coming years are:



**Rural Development**  
₹ 1.34 lakh crore



**Road Transport and Highways**  
₹ 1.18 lakh crore



**Railways**  
₹ 1.10 lakh crore



**Housing and Urban Infrastructure**  
₹ 55 thousand crore

#### Opportunities and Outlook

The steel industry is poised for boom, supported by favourable government policies and conducive market conditions. There are huge spends being made in infrastructure, both by government and private sectors, which will push demand for steel. In addition, the gradual revival of the automotive sector also adds to the demand. These factors are expected to combine and elevate India's steel demand by 7.5% in 2022, thus making it one among the top consuming nations along with China and the USA. The

projections for 2023 indicate India's steel demand growth to be the second highest in the world, clocking a 6% demand growth, after Germany which is expected to have a 7.6% demand growth.

India is presented with a sea of opportunities, as China heads towards reducing their carbon emissions, resultantly reducing their ability to produce crude steel significantly. The demand gap left behind by China will need to be fulfilled by other countries, and India being one of the top up-and-coming manufacturing hubs will be well-suited to cater to this demand. As per industry experts, this opportunity created by China is worth USD 1.8-2 trillion, and Companies like Sarthak stand to gain from it provided they capitalise these export markets of China. Moreover, the Indian economy is likely to become the third largest economy by 2030 and the Indian steel industry will play a pivotal role in this growth journey.<sup>1</sup>

#### Company Overview

Sarthak Metals Limited ("Sarthak" or "The Company"), part of the Desraj Bansal Group, is India's leading manufacturer and exporter of Cored Wires and Aluminium Flipping Coils. The Company provides products and solutions, targeted to attain precision in metallurgy of steel and fine tuning of steel manufacturing. The Company is headquartered at Bhilai, Chhattisgarh, and is strategically located in close proximity to an important steel hub in India.

The Company's world-class ISO 9001-2000 certified manufacturing facilities are equipped with the latest technology, enabling rigorous testing and inspection processes and ensuring manufacture of consistent quality products. Being an experienced and quality conscious manufacturer, Sarthak is the preferred supplier of these products to some of India's largest steel players.

## Business Verticals Review



#### Cored Wire

Sarthak's performance in the Cored Wires segment has been robust in FY22. The total sales volume increased to 6,705 tonnes in FY22 from 4,446 tonnes in FY21, charting a 51% YoY growth. Further, average realisations improved from ₹ 2,18,174 per tonne in FY21 to ₹ 2,98,840 per tonne in FY22, marking an increase of 37% YoY. These factors combined led to an increase of 107% in sales of Cored Wires, in the year under review.



#### Aluminium Flipping Coils

The Aluminium Flipping coils segment achieved record heights in FY22, witnessing a significant increase in sales volume from 6,381 tonnes in FY21 to 9,925 tonnes in FY22, an increase of 56% YoY. Further, average realisations improved from ₹ 1,48,879 per tonne in FY21 to ₹ 2,38,389 per tonne in FY22, marking an increase of 60% YoY. These factors together led to an increase of 149% in sales of Aluminium Flipping Coils, in the year under review.



#### Industrial Gases

In FY22, Sarthak has taken the decision to wind up its operations in this product category, in order to focus only on core product categories i.e. Cored Wires and Aluminium Flipping Coils.

1: IBEF, Worldsteel Association

### FY22 Performance Discussion

Sarthak's stellar performance in FY22 can be attributed to two factors, firstly a solid demand from the steel sector, and secondly a significant increase in the Company's market share. These converging factors have enabled the doubling of its topline to ₹ 457.3 crores in FY22 from ₹ 221.71 crores in FY21. The Company is confident that its new found ground will become its next benchmark, thus catapulting the Company's profitability in the coming years.

### Financial Ratios

Ratios	FY21	FY22	% Change	Remarks
Total Debt to Equity	0.59	<b>0.29</b>	(51)	Reduced because of Decrease in Borrowings
Current Ratio	2.30	<b>2.95</b>	28	Increased because of Decrease in Short Term Borrowings
Interest Coverage Ratio	4.27	<b>9.29</b>	118	Interest Coverage Ratio has improved significantly on account of increased EBIT in FY22.
Debtors Turnover Days	54.53	<b>37.92</b>	(30)	Reduced because of timely reliazations
Inventory Turnover Days	42.55	<b>23.11</b>	(46)	Reduced because of decrease in Inventory Holding Period
Operating Profit Margin	7.3	<b>8.5</b>	16	
Net Profit Margin	3.61	<b>6.01</b>	67	Increased because of Increase in Profitability



### Outlook

The Indian steel industry is booming as infrastructure development takes precedence in India. This puts Sarthak in a position of growth, as the outlook continues to remain robust with upcoming investments and capacity additions in the Indian steel industry. As the Company's customers, some of India's most prominent steel players, look for opportunities of expansion - it also opens a floodgate of opportunities for companies like Sarthak.

The Company is geared to consolidate its position in the market and capitalise on market demand, by adding incremental capacity to its facilities. Sarthak's new furnace for Aluminium Flipping Coils, which is expected to be commissioned in H1FY23, will augment its capacity by 50%. Additionally, a new manufacturing line for Cored Wires is also being commissioned in FY23.

Looking at the varied opportunity landscape beyond its current product system, the Company has also acquired a new plot of 5 acre land next to its existing facility. This land is being reserved for a new strategic business opportunity, which is currently being evaluated and validated by the Board of Directors and Senior Management of Sarthak.

### Internal Control and Adequacy

The Company's proper and adequate system of internal control ensures that all its assets are safeguarded and protected against losses from unauthorised use or disposition, and that all transactions are authorised, recorded and reported appropriately. The Company has deployed an effective mechanism to achieve optimum and effective utilisation of resources, efficiency in operations, monitoring thereof and compliance with applicable laws. Further, the auditors have also expressed that the Company's internal control systems are adequate and satisfactory.

### Human Resource Development and Industrial Relations

Sarthak believes that its human resources are one of the most crucial assets and critical enablers of the Company's growth. To that extent, the Company engages with its employees to hone their skill sets and equip them with knowledge and know-how. It is also deeply invested in establishing its brand name to attract and retain the best talent in the market. During the period under review, employee relations continued to be healthy, cordial, and harmonious at all levels, and the Company aims to maintain such relations with the employees going forward as well. As of March 31, 2022 the Company has 137 permanent employees.



### Risks and Risk Mitigation

#### Safety Risk

Sarthak's manufacturing facilities are subjected to stringent laws and regulations. Any non-adherence to workforce and process safety requirements, and other safety laws and regulations, may impact business reputation and continuity.

#### Regulatory Risk

Withdrawal of favourable trade measures, such as minimum import prices, anti-dumping laws and trade restrictions, may severely impact the Company's profitability.

#### Supply Chain Risk

The Company's supply chain network, which is subjected to physical environmental, trade, geopolitical restrictions and disruptions, is critical to its operations. Moreover, a significant part of the Company's raw materials are imported, hence its dependence on outsourced partners may lead to disruption in operations. These risks, if materialised, may adversely impact the business of the Company.

#### Credit Risk

Credit risk takes place when a counterparty fails to discharge its financial obligations to the Company. Due to the nature of its business, the Company is exposed to these risks on a regular basis. However, any material or significant bad debt may impact the financial health of the Company.

### Commodity Fluctuation Risk

The Company's performance is closely linked with that of the steel industry. Any material changes in demand-supply scenarios within the steel sector, in India or abroad, may impact its performance.

### Project Management Risk

The Company will be undertaking capital expenditure projects in the near future. While some of these projects are currently under progress, some others are being planned that may be executed in the coming years. However, any significant delays in project execution may lead to cost overruns and opportunity-loss for the Company.

### Cautionary Statement

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



## Notice of Annual General Meeting

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of **Sarthak Metals Limited** will be held on Monday, 05<sup>th</sup> Day of September, 2022 at 11:00 A.M. at the registered office of the Company at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 for transacting the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 with all annexure and attachments thereto including the Auditor's Report and the Directors' Report.
2. To declare a final dividend of ₹ 01/- (Rupee One Only) per equity share for the Financial Year ended March 31, 2022.
3. To appoint a director in place of Mr. Mayur Bhatt (DIN:07586457), who retires by rotation and being eligible, offers himself for reappointment.
4. Re-appointment of M/s Begani and Begani, Chartered Accountants (FRN: 010779C), as Statutory Auditors of the Company:

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139,141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Begani & Begani, Chartered Accountant (FRN: 010779C) be and are hereby re-appointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 27<sup>th</sup> AGM till the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

### SPECIAL BUSINESS

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

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 read with Rules made thereunder, other applicable laws/ statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transaction, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and on basis of the approval and recommendation of the Audit Committee and the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transactions / Contracts / Arrangements / Agreements (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with entity i.e. M/s Bansal Brothers falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, in the course of (i) Purchase/sale of raw material, consumable goods, factory shed & building, plant & machinery (ii) Repair & maintenance of Machine (iii) Repair & maintenance of Building (iv) Other expenses (v) transfer of any resources, services or obligations to meet its business objectives / requirements ("Related Party Transactions") on such material terms and conditions as may be mutually agreed between M/s Bansal Brothers and the Company for each of the financial years from FY 2022-23 to FY 2026-27 i.e. five financial years, such that the maximum value of the Related Party Transactions with such party does not exceed value of ₹ 100 Crores for each financial year, provided that the said Transactions/Contract/ Arrangement/Agreement shall be carried out in the ordinary course of business of the Company and in respect of transactions with related party under section 2(76) of the Companies Act, 2013, are at arm's length basis;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contracts, agreements and

such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

#### 6. Ratification of remuneration payable to Cost Auditors:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Gajadhar Prasad, Cost Accountant (Membership No. :39559), who was appointed by the Board of Directors in the Board Meeting held on July 06, 2022 as an Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year 2019-20 till 2023-24, amounting to ₹ 35,000/- per year (Thirty-Five Thousand Rupees) plus applicable taxes, travel and out of pocket expenses incurred in connection with the cost audit as approved by the Board of Directors on the recommendation of the Audit Committee be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or, Company Secretary be and are hereby severally authorized to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force),

consent of the members be and is hereby accorded for fixing the remuneration of Mr. Anoop Kumar Bansal, Managing Director as ₹ 36,00,000/- per annum (Rupees Thirty Six Lakhs) for a period of 3 (three) years with effect from April 01, 2022.

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

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

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

**"RESOLVED THAT** pursuant to the provisions of section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for fixing the remuneration of Mr. Sanjay Chamanlal Shah, Whole-Time Director as ₹ 36,00,000/- per annum (Rupees Thirty Six Lakhs) for a period of 3 (three) years with effect from April 01, 2022.

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

#### 9. To approve and fix the remuneration of the Mr. Mayur Bhatt (DIN: 07586457), Whole- Time Director and CEO of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the

Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for fixing the remuneration of Mr. Mayur Bhatt, Whole-Time Director and CEO as ₹ 12,00,000/- per annum (Rupees Twelve Lakhs) for a period of 3 (three) years with effect from April 01, 2022.

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

**Registered Office:**

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

Bhilai, Chhattisgarh - 490011

CIN: L51102CT1995PLC009772

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

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

By Order of the Board of Directors

**Sarthak Metals Limited**

**Date** - July 06, 2022

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

Sd/-

**Pratik Jain**

Company Secretary

Membership No. ACS 61747

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and the proxy need not be a member of the company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time of meeting.
2. A person can act as proxy on behalf of members not exceeding fifty members and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The attendance slip and Proxy Form is available at the end of this Annual Report.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under item Nos. 4 to 9 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
5. In terms of the provisions of Section 108 of the Companies Act, 2013, the business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-voting are given in the notice under Note No. 24. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately. The Members (including proxies) attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.
6. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 4.00 p.m. up to the date of the Annual General Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
8. Pursuant to the provision of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 27, 2022 to Monday, September 05, 2022. (both days inclusive)
9. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting.
10. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").
11. Members/Proxies/authorized representatives attending the Meeting are requested to bring their copies of Annual Report together with attendance slip duly completed and signed along with Client ID and DP ID numbers.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
13. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent (RTA) of the Company. Please find below the contact details of RTA:  
  
Bigshare Services Pvt. Ltd.  
Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093  
Email ID: [joyv@bigshareonline.com](mailto:joyv@bigshareonline.com)  
Contact No. 022- 62638236
14. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The same should be availed through respective depository.
15. The Company has appointed Bigshare Services Private Limited, Mumbai as its Registrar and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfer, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to Registrar directly quoting folio no., full name and name of Company as Sarthak Metals Limited.
16. Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 10 days in advance before the meeting so as to enable the management to keep information ready.
17. The route map of the venue of the Annual General Meeting is appended to this Report. The prominent landmark near the venue is ITI Khursipar Bhilai Power House.

18. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022 read with circular dated January 15, 2021 and May 12, 2020, the Annual Report of the Company for the Financial Year 2021-22, including the Notice convening the 27<sup>th</sup> Annual General Meeting, has been emailed to the members whose email addresses are available with the depositories for communication purposes or are obtained directly from the members, as per Section 136 of the Companies Act, 2013, and Rule 11 of the Companies (Accounts) Rules, 2014. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode

19. The Annual Report of the Company will be available on the Company's website [www.sarthakmetals.com](http://www.sarthakmetals.com) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchanges of India limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. As per Section 136(1), the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com)

20. Mr. Atul Jain, Practicing Chartered Accountants (Membership No. 447869), has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot voting at ensuing AGM process in a fair and transparent manner.

21. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. [www.sarthakmetals.com](http://www.sarthakmetals.com) under investors section and on the website of NSDL i.e. <https://evoting.nsdl.com>. The results shall also be communicated to the Stock Exchanges and will be made available on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchanges of India limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

22. The Shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM hall.

### 23. DIVIDEND RELATED INFORMATION

Members may note that the Board, at its meeting held on May 11, 2022, has recommended a final dividend of ₹ 01/- (Rupee One Only) per equity share. The record date for the purpose of final dividend for the financial year ended March 31, 2022, is August 26, 2022. The final dividend, once approved by the members in the ensuing AGM, will be paid within 30 days from the declaration of the final dividend electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants/demand drafts/cheques will be sent to their registered addresses. We request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding

is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card, with the Registrar and Transfer Agent (RTA) of the Company. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

In accordance with the provisions of the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a Company on or after April 01, 2020, shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents in accordance with the provisions of the IT Act.

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

#### For Resident Shareholders: -

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

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

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

- **Insurance companies:** Documentary evidence to prove that the Insurance company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card.
- **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is eligible for exemption, along with self-attested copy of the registration documents and PAN Card.

- **Alternative Investment Fund (AIF) established in India:** Documentary evidence to prove that AIF is a fund eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self-attested registration documents and PAN card should also be provided.
- **National Pension System Trust & other Shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.
- Shareholders who have provided a valid certificate issued u/s 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities.
- Self-declaration (Format enclosed as Annexure F on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>) certifying the following points: -
  - Shareholder is and will continue to remain a tax resident of the country of its residence during FY 2022 -23 (i.e. 01.04.2022 to 31.03.2023);
  - Shareholder is the beneficial owner of the shares and is entitled to the dividend receivable from the Company.
  - Shareholder qualifies as 'person' as per DTAA and is eligible to claim benefits as per DTAA for the purposes of tax withholding on dividend declared by the Company.
  - Shareholder has no permanent establishment / business connection / place of effective management in India. or Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
  - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner.

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

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

- Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- As per section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents:
  - Self-attested copy of PAN, if any, allotted by the Indian tax authorities. In case of non-availability of PAN, declaration (Format enclosed as Annexure D on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>) is to be submitted.
  - Self-attested copy of valid Tax Residency Certificate ('TRC') issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status.
  - Completed and duly signed self-declaration in Form 10F (Format enclosed as Annexure E on the website of the Company at <http://www.sarthakmetals.com/investors-tds-dividends.aspx?mpgid=24>)
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.
- Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-Resident shareholder and meeting the requirements of the Act, read with the applicable DTAA. In absence of the same, the Company will not be able to apply the beneficial DTAA rates at the time of deducting tax on dividend.
- Where a shareholder furnishes lower / nil withholding tax certificate under Section 197 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

#### **Section 206AB of the Act**

Rate of TDS @ 10% u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from July 01, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as "Specified Persons"). Under section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

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

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

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

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

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

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

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

1. NIL - for resident individual shareholders receiving Dividend from the Company upto ₹ 5,000 during financial year.
2. NIL - for resident individual shareholders in cases where duly filled up and signed Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
3. 10% -for other resident shareholders in case copy of valid PAN is provided/available.
4. 20% - for resident shareholders if copy of PAN is not provided / not available or resident shareholder is specified person under section 206AB as per compliance check utility of income tax department.
5. TDS rate will be determined on the basis of documents submitted by the non-resident shareholders.
6. 20% - (plus applicable surcharge and cess) for non-resident shareholders in case the relevant documents are not submitted.
7. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

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

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at

source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules (Refer Annexure C on the website of the Company).

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

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

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

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

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

#### **For all Shareholders: -**

**To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to email the above details and documents at the email ID "cs@sarthakmetals.com", not later than 05.00 P.M. Saturday, August 20, 2022.**

No communication on the tax determination/ deduction shall be considered after August 20, 2022.

#### **24. Instructions for remote e-voting are as follows:**

##### **A. Voting Through Electronic Means:**

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

the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by **National Securities Depository Limited (NSDL)**.

The instructions for members for remote e-voting are as under:

**The remote e-voting period begins on Friday, September 02, 2022, at 9:00 A.M. and ends on Sunday, September 04, 2022, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 29, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 29, 2022.**

The results shall be declared after the Annual General Meeting of the company and shall be deemed to be passed on the date of Annual General Meeting. The results along with the Scrutinizer's Report shall be placed on the website of the company [www.sarthakmetals.com](http://www.sarthakmetals.com) within 2 days of passing of the resolutions at the Annual General Meeting of the company and shall be communicated to the NSE & BSE (Stock Exchanges).

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consist of "One Step" which is mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on





Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

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

### B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

#### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300**** and Client ID is 12***** then your user ID is IN300****12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request

at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [atuljain1897@gmail.com](mailto:atuljain1897@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
2. Members can opt for only one mode of voting, i.e., either by remote e-voting or voting at the Meeting. In case Members cast their vote through both the modes, voting done by remote e-voting shall prevail and votes cast at the Meeting shall be treated as invalid.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
4. The Board of Directors has appointed Mr. Atul Jain, Practicing Chartered Accountants (Membership No. 447869), as the Scrutinizer to scrutinize the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.
5. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
6. The Scrutinizer shall, after the conclusion of voting at the General Meeting, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of the conclusion of the AGM a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any. The results declared along with the Scrutinizer's report, will be posted on the website of the Company [www.sarthakmetals.com](http://www.sarthakmetals.com) and on the website of NSDL immediately after the declaration of the result by the Chairman or any person authorised by him and communicated to the Stock Exchange.
7. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@sarthakmetals.com](mailto:cs@sarthakmetals.com). The same will be replied by the company suitably.

**B. The instructions for members for voting on the day of the AGM are as under:**

1. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

**Registered Office:**

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

CIN: L51102CT1995PLC009772

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

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

**Date** - July 06, 2022

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

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

Sd/-  
**Pratik Jain**  
Company Secretary  
Membership No. ACS 61747

## Explanatory Statement

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item Nos. 4 to 9 of the accompanying Notice:

### Item no. 4

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The Members at the 22<sup>nd</sup> Annual General Meeting ("AGM") of the Company held on August 01, 2017, had approved the appointment of Begani & Begani, Chartered Accountants, (FRN- 010779C) as Statutory Auditors of the Company, to hold office till the conclusion of the 27<sup>th</sup> AGM.

After evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 11, 2022, proposed the re-appointment of Begani & Begani, Chartered Accountants (FRN- 010779C), as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of 27<sup>th</sup> AGM till the conclusion of 32<sup>nd</sup> AGM of the Company to be held in the year 2027, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

Begani & Begani have consented to their appointment as Statutory Auditors and have confirmed that their appointment will be in accordance with Section 139 read with Section 141 of the Act.

Begani & Begani audits various companies including government Companies and public companies, listed on stock exchanges in India. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

### Item No. 5

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 09, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments")

introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The aforesaid amendments inter-alia included replacing of current threshold i.e., 10% (ten percent) of the listed entity's consolidated turnover, for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of ₹ 1,000 crore (Rupees One thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material Related Party Transactions under Regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 01, 2022.

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

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

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

(Amounts ₹ in lakhs)

Particular of Transactions	March 31, 2020	March 31, 2021	March 31, 2022	Total
Purchase Raw Material	1,674.35	897.43	2,600.91	5,172.69
Sales of Ferro Alloys	2,609.11	1,260.97	3,000.89	6,870.97
Repair & Maintenance Machine	1.27	-	1.14	2.41
Factory Shed & Building	10.48	2.54	2.11	15.13
Consumable Packing Goods	3.36	1.94	6.90	12.20
Plant & Machinery	1.65	0.12	0.25	2.02
Repair & Maintenance factory Shed & Building	-	0.60	0.61	1.21
Sale of Fixed Assets and Consumables	-	-	330.36	330.36
Other Expenses	0.83	-	-	0.83
<b>Total</b>	<b>4,301.05</b>	<b>2,163.60</b>	<b>5,943.17</b>	<b>12,407.83</b>

Sr. No.	Description	Particulars
1.	Name of the related party	M/s Bansal Brothers
2.	Nature of relationship [including nature of its interest (financial or otherwise)]	Mr. Anoop Kumar Bansal, Managing Director and Mr. Anirudh Singhal, CFO are partners in M/s Bansal Brothers. As per accounting terms it is an Enterprise over which significant influence exists.
3.	Type of the proposed transaction	i. Purchase Raw Material ii. Sales Ferro Alloys iii. Repair & Maintenance Machine iv. Factory Shed & Building v. Consumable Packing Goods vi. WIP Plant & Machinery vii. WIP Factory Shed & Building viii. Repair & Maintenance Shed & Building ix. Sales job work x. Sales Fixed Assets xi. Other Expenses xii. Any transfer of resources, services or obligations to meet its objectives / requirements
4.	Nature, duration/tenure, material terms, monetary value and particulars of contract/arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.
5.	Particulars of the proposed transaction	Same as point no. 3
6.	Tenure of the transaction	Contracts/arrangements with a duration up to 5 years
7.	Value of the proposed transaction	₹ 100 Crores per year
8.	Percentage of Sarthak's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	38.25%

9.	Benefits of the proposed transaction	SML buys certain specialty noble ferro alloys from Bansal Brothers. These noble ferro alloys are niche of Bansal Brothers for which they have maximum market share in Indian market. Thus, the prices at which Bansal Brothers can supply to SML is highly competitive due to scale advantage. Further, the lead time for procurement from Bansal Brothers is very less and reduces the working capital requirement of SML for such alloys. Furthermore, Bansal Brothers offer great credit terms to SML due to related party trust. That being said SML always researches the price of said ferro alloys in international markets before placing an order with Bansal Brothers. It can be said that Sarthak Metals has maximum market share in Products manufactured using products of Bansal Brothers due to this symbiotic relationship.
10.	Details of the valuation report or external party report (if any) enclosed with the Notice	All contracts with related party defined as per Section 2(76) of the Act are reviewed for arm's length testing internally
11.	Name of the Director or Key Managerial Personnel, who is related	Mr. Anoop Kumar Bansal, Mr. Anirudh Singhal
12.	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given	NA
A.	Source of funds	NA
B.	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment:	NA
	<ul style="list-style-type: none"> <li>• Nature of indebtedness</li> <li>• cost of funds and</li> <li>• tenure of the indebtedness</li> </ul>	
C.	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security)	NA

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

### Item No. 6

The Board of Directors, on the recommendation of the Audit Committee has approved the appointment of Mr. Gajadhar Prasad (Membership No. 39559) Cost Accountant, as Cost Auditor of the Company, subject to approval(s) as may be necessary, for auditing the cost records of the Company relating to any products as may be applicable for the financial year 2019-20 till 2023-24 at a remuneration of ₹ 35,000/- (Rupees Thirty Five Thousand Rupees only) per year plus applicable taxes, travel and Out of Pocket Expenses. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders of the Company. The Board recommends the resolution set out at Item No. 6 for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

### Item No. 7

Mr. Anoop Kumar Bansal renders services as the Managing Director to the Company. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board as per recommendation of Nomination and Remuneration Committee approved the remuneration of Mr. Anoop Kumar Bansal for further period of 3 years w.e.f. April 01, 2022 in its Board Meeting dated May 11, 2022, on terms and conditions enumerated in the resolution.

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

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

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

## DETAILS AS REQUIRED UNDER SCHEDULE V

### I. General Information:

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

Particulars	Current Year as on 31.03.2022	Previous Year as on 31.03.2021
Total Income	45,825.71	22,207.87
Less: Expenditure & Depreciation	42,507.66	21,129.65
Add: Exceptional items	266.61	-
Profit before Tax (PBT)	3,584.66	1,078.23
Less: Tax (including deferred tax)	836.55	278.82
Profit After Tax (PAT)	2,748.11	799.41

- Foreign Investments or collaboration if any: Not Applicable

### II. Other Information:

- Reasons for loss or inadequate profit: In the Financial Year ended March 31, 2022, the Company made Profit after Tax
- The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
- Steps taken or proposed to be taken for improvement-Not Applicable
- Expected increase in productivity and profits in measurable terms-Not Applicable

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

Background details	Mr. Anoop Kumar Bansal is the Managing Director and one of the Promoters of our Company. He has completed his bachelor's in commerce (B.com) from Nagpur University. He has more than 32 years of experience in the business and industry. He conceptualized several innovative commercial ideas and implementation of the same has resulted in huge success of our Company. He has been on the Board of our Company since its inception and is appointed as the Managing Director of our Company since August 21, 2016. He is reappointed on August 22, 2019 for a period of 5 years.
Past remuneration	₹ 36,00,000/- paid as remuneration during the year ended on March 31, 2022
Job profile and his suitability	Mr. Anoop Kumar Bansal renders services as the Managing Director to the Company. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company. His sincerity, commitment and ideas have resulted in opening up of new opportunities for the Company. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board approves the remuneration of Mr. Anoop Kumar Bansal for further period of 3 years w.e.f. April 01, 2022.
Remuneration proposed	As per Annexure – A (Below)

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Mr. Anoop Kumar Bansal has vast experience in Management. Mr. Bansal has rich experience of handling various areas of business and is well known in retail industry. Mr. Bansal has started a lot of new initiatives in the Company since he joined as Managing Director. Considering the general industry and the specific company profile the remuneration is in line with the industry levels and that of comparatively placed Companies in India.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Anoop Kumar Bansal is the Managing Director and one of the Promoters of our Company. He holds 1145250 shares in the Company.
Age	54
Relationship with other directors	NA
Number of Board Meeting attended	6/6
Directorship and membership / chairmanship in committees	NA

### Annexure - A

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

#### III. Remuneration: ₹ 300,000 per month

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

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

### DETAILS AS REQUIRED UNDER SCHEDULE V

#### IV. General Information:

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

Particulars	(₹ in lakhs)	
	Current Year as on 31.03.2022	Previous Year as on 31.03.2021
<b>Total Income</b>	<b>45,825.71</b>	<b>22,207.87</b>
Less: Expenditure & Depreciation	42,507.66	21,129.65
Add: Exceptional items	266.61	-
Profit before Tax (PBT)	3,584.66	1,078.23
Less: Tax (including deferred tax)	836.55	278.82
Profit After Tax (PAT)	2,748.11	799.41

- Foreign Investments or collaboration if any: Not Applicable

### Item No. 8

The Board of Directors, considering his knowledge of daily operations, sale and purchase and long business experience, are of the opinion that for smooth and efficient running of the business, the services of Mr. Mayur Bhatt should be continued with Company. In view of his enriched experience and appreciable contribution, the Board as per recommendation of Nomination and Remuneration Committee approved the remuneration of Mr. Mayur Bhatt for further period of 3 years w.e.f. April 01, 2022 in its Board Meeting dated May 11, 2022, on terms and conditions enumerated in the resolution.

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

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

Except Mr. Mayur Bhatt and Ms. Jaya Bhatt, none of the Directors, Key Managerial Personnel and their relatives are interested financial or otherwise in the proposed resolution.



## V. Other Information:

- Reasons for loss or inadequate profit: In the Financial Year ended March 31, 2022, the Company made Profit after Tax. The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
- Steps taken or proposed to be taken for improvement-Not Applicable
- Expected increase in productivity and profits in measurable terms-Not Applicable

The profile of Mr. Mayur Bhatt is as follows:

Background details	Mr. Mayur Bhatt is the Whole Time Director of our Company. He has completed his Bachelors in Arts (B.A), from Guru Ghasidas University, Bilaspur, Chhattisgarh. He has also completed his Diploma in Electrical Engineering from Madhya Pradesh Board of Technical Education, Bhopal. He has more than 17 years of experience in the industry, and he has been associated with our Company since 2005 in various roles & responsibilities, presently he is heading the operations department. He is appointed as a Whole Time Director of our company since August 21, 2016. He is reappointed on August 22, 2019 for a period of 5 years.
Past remuneration	₹ 12,00,000 paid as remuneration during the year ended on March 31, 2022
Job profile and his suitability	The Board of Directors, considering his knowledge of daily operations, sale and purchase and long business experience, are of the opinion that for smooth and efficient running of the business, the services of Mr. Mayur Bhatt should be continued with Company.
Remuneration proposed	As per Annexure - B (Below)
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	In the present challenging business environment, the duties and responsibilities of Mr. Mayur Bhatt as Whole Time Director have grown manifold. There is a continuous need for formulation of competitive strategies and periodical review thereof for successful implementation and sustained overall development of the Company, which has necessitated his increased focus and higher involvement in Company's matters. In these tough times, it is imperative that the Company's growth strategy continues under the guidance and leadership of Mr. Mayur Bhatt with his rich experiential background. In view of the above, the proposed remuneration package is commensurate to prevailing levels in the industry and thereby is fit and justified for payment.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Mayur Bhatt has a relationship with the Company as Whole Time Director only. He holds 454050 shares in the Company and does not have any other pecuniary relationship.
Age	43
Relationship with other directors	NA
Number of Board Meeting attended	6/6
Directorship and membership / chairmanship in committees	NA

### Annexure - B

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

- Remuneration: ₹ 100,000/- per month
  - Basic Salary: ₹ 100,000/- per month. Perquisites shall be valued as per Income Tax Rules
  - In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Mayur Bhatt as minimum remuneration.

- Notwithstanding anything to the contrary herein contained where in any financial year during the tenure of Mr. Mayur Bhatt, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act, 2013, if and to the extent necessary, with the approval of the Central Government.

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

## Item No. 9

Mr. Sanjay Shah renders services as Whole Time Director of the Company. Considering his knowledge of marketing and investors relations and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Sanjay Shah, should be continued with Company. Accordingly, the Board as per recommendation of Nomination and Remuneration Committee approved the remuneration of Mr. Sanjay Shah for further period of 3 years w.e.f. April 01, 2022 in its Board Meeting dated May 11, 2022, on terms and conditions enumerated in the resolution.

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

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

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

### DETAILS AS REQUIRED UNDER SCHEDULE V

#### VI. General Information:

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

Particulars	(₹ in lakhs)	
	Current Year as on 31.03.2022	Previous Year as on 31.03.2021
<b>Total Income</b>	<b>45,825.71</b>	<b>22,207.87</b>
Less: Expenditure & Depreciation	42,507.66	21,129.65
Add: Exceptional items	266.61	-
Profit before Tax (PBT)	3,584.66	1,078.23
Less: Tax (including deferred tax)	836.55	278.82
Profit After Tax (PAT)	2,748.11	799.41

- Foreign Investments or collaboration if any: Not Applicable

#### VII. Other Information:

- Reasons for loss or inadequate profit: In the Financial Year ended March 31, 2022, the Company made Profit after Tax The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013.
- Steps taken or proposed to be taken for improvement-Not Applicable
- Expected increase in productivity and profits in measurable terms-Not Applicable

The profile of Mr. Sanjay Shah is as follows

Background details	Mr. Sanjay Shah is the Whole Time Director and one of the Promoters of our Company. He has more than 32 years of experience in the business and industry and he is heading the Sales and Marketing division of our Company. He is also involved in oversight of day-to-day affairs of the Company, as a Whole-Time director. He has been on the Board of our Company since January 02, 2003 and is approved as the Whole Time Director of our company since August 24, 2016. He is reappointed on August 26, 2019 for a period of 5 years.
Past remuneration	₹ 36,00,000 paid as remuneration during the year ended on March 31, 2022
Job profile and his suitability	Mr. Sanjay Shah renders services as Whole Time Director of the Company. Considering his knowledge of marketing and investors relations and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Sanjay Shah, should be continued with Company.

Remuneration proposed	As per Annexure - C (Below)
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Mr. Sanjay Shah has vast experience to deal with day-to-day affairs of the Company, as a Whole Time Director. Mr. Shah has experience of handling various areas of business and expert in formulation of good strategy which required for the development of the business. Mr. Shah is continuously running the operations of the Company in good as well as in difficult times. In the present challenging situation, it is inevitable that the Company's growth strategy continues under the continued guidance of Mr. Sanjay Shah. Considering their general industry and the specific company profile, the remuneration is in line with the industry levels and that of comparatively placed Companies in India.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Sanjay Shah is the Whole Time Director and one of the Promoters of our Company. He holds 585950 shares in the Company and does not have any other pecuniary relationship.
Age	59
Relationship with other directors	NA
Number of Board Meeting attended	6/6
Directorship and membership / chairmanship in committees	NA

### Annexure - C

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

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

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

#### Registered Office:

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

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

**Date** - July 06, 2022  
**Place** - Bhilai (C.G.)

Sd/-  
**Pratik Jain**  
Company Secretary  
Membership No. ACS 61747

## Annexure to Notice

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

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

<b>Name of Director</b>	<b>Mr. Mayur Bhatt</b>
Director Identification Number (DIN)	07586457
Date of Birth	December 12, 1978
Age	43 years
Qualification	B.A. & Diploma in Electrical Engineering
Experience	More than 17 years
Terms and Condition of Appointment	As per annexure- A of item No.8
Remuneration last Drawn	₹ 12,00,000
Nature of Expertise in specific functional areas	He has more than 17 years of experience in the industry. He is heading the Operations departments
Date of first appointment	August 21, 2016
Number of shares held in the Company	454050 shares
Inter-se relationship with other Directors and Key Managerial Personnel	There is no inter-se relationship with any Key Managerial Personnel of the Company
No. of Board Meetings Attended during the year	6
Directorships held in other companies	M/S Sarthak Energy Private Limited
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship)	NIL
Proposed Remuneration	₹ 12,00,000

## Directors' Report

Dear members,

Your Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "Sarhthak") along with the audited financial statements, for the financial year ended March 31, 2022.

### 1. Financial summary and highlights:

(₹ in Lakhs)

Particulars	For the year ended March 31,		YoY Growth (%)
	2022	2021	
Revenue from operations	45,729.80	22,171.22	106.26
Other income, net	95.90	36.65	161.66
<b>Total income</b>	<b>45,825.71</b>	<b>22,207.87</b>	<b>106.35</b>
Less: Expenses	42,507.66	21,129.65	101.18
Add: Exceptional Items	266.61	-	-
Profit Before Tax	3,584.66	1,078.23	232.46
Less: Tax (Including deferred tax and current tax relating to earlier years)	836.55	278.82	-
Add: Total Other Comprehensive Income (Net of Tax)	(6.07)	(8.72)	-
Profit After Tax	2,742.04	790.69	246.79
<b>Earnings Per Share</b>			
Basic:	20.07	5.84	243.67
Diluted:	20.07	5.84	243.67

The boost in demand, both domestically and in the export market, coupled with the record crude steel production in the country, enabled the Company to consolidate its market share in both its product categories i.e. Cored Wires and Aluminium Flipping Coils. The surge in demand as well as the uptick in the production of crude steel, allowed the Company to produce and sell record quantities of its products, thus giving a significant thrust to its top line for the financial year 2021-22.

Cored Wires saw a 51% increase in volumes this year, taking the manufactured quantity to 6,705 tonnes. Further, an average 37% increase in realisations also contributed to a 107% increase in the turnover for Core Wire products. When it comes to Aluminium Flipping Coils, it witnessed a 56 % increase in volumes, taking its output to 9,925 tonnes. An increase in realisations by 60% enabled this vertical to clock an impressive 149% increase in turnover of Aluminium Flipping Coils. In doing so, for the first time since the Company's inception, the turnover of the Aluminium Flipping Coils vertical surpassed that of the Cored Wire segment.

Revenue from Operations for the year FY22 stood at ₹ 45,729.80 Lakhs, an increase of 106.26% over the previous year. At the same time, the Company recorded an increase in EBITDA margin from 7.5% in FY21 to 8.7% in FY22, subsequently, PAT for the year ₹ 2,742.04 Lakh stood at FY22, an increase of 246.79% over the previous year.

The Company is geared to consolidate its position in the market and capitalise on market demand, by adding incremental capacity to its facilities. Sarhthak's new furnace for Aluminium Flipping Coils, which is expected to be commissioned in FY23, will augment its capacity by 50%. Additionally, a new manufacturing line for Cored Wires is also being commissioned in FY23.

Looking at the varied opportunity landscape beyond its current product system, the Company has also acquired a new plot of 5 acre land next to its existing facility. This land is being reserved for a new strategic business opportunity, which is currently being evaluated and validated by the Board of Directors and Senior Management of Sarhthak.

### 2. Amount, if any, which the Board proposes to carry to any reserves:

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

### 3. Dividend:

Your directors believes that the earnings of the Company should be used to repay the shareholders in the form of Dividends. The Company has in Financial Year 2021-22 achieved the extra-ordinary growth and the Board decided to declare the Interim Dividend and has also proposed Final Dividend for the year under review.

The Company recommended / declared dividend as under:

Particulars	Fiscal 2022			Fiscal 2021		
	Dividend per share (In ₹)	Dividend pay-out (₹ in Lakhs)	% of Dividend	Dividend per share (In ₹)	Dividend pay-out (₹ in Lakhs)	% of Dividend
Interim dividend	1.00	136.90	10	-	-	-
Final dividend	1.00	136.90 <sup>(1)</sup>	10	1.00	136.90	10
<b>Total dividend</b>	<b>2.00</b>	<b>273.80</b>	<b>20</b>	<b>1.00</b>	<b>136.90</b>	<b>10</b>

**Note:**

- The Company declares and pays dividend in Indian rupees. Companies are required to pay / distribute dividend after deducting applicable withholding income taxes.
- (1) Recommended by the Board of Directors, at its meeting held on May 11, 2022. The payment is subject to the approval of the shareholders at the ensuing AGM of the Company to be held on September 05, 2022. The record date for the purposes of the final dividend will be August 26, 2022 and will be paid on or after September 10, 2022.

#### 4. Migration and Listing on Main Board of BSE Limited and National Stock Exchange of India Limited respectively:

Pursuant to provisions of Regulation 277 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Company can voluntarily migrate from SME Exchange to Main Board of BSE Ltd and list on National Stock Exchange of India Ltd. The Board of Directors of the Company in its meeting held on July 14, 2021 decided to migrate from BSE SME Exchange to BSE Ltd Main Board and listing on Main Board of National Stock Exchange of India Limited which was approved by the members of the Company by way of Special Resolution vide Postal ballot which ended on August 17, 2021. The Company received in-principal approval from BSE Limited and from National Stock Exchange of India Limited was received on October 27, 2021 and on November 18, 2021 respectively.

Your directors are happy to inform you that the Company's equity shares with effect from November 25, 2021 are listed on the Main Board of BSE Limited and National Stock Exchange of India Limited. Some of the benefits of the migration which has now been unlocked for the shareholders is as follows:

- Liquidity in the transactions on secondary market due to removal of minimum investment criteria
- Increase in the retail investors participation

#### 5. Change in the nature of business:

Your directors continuously look for expansion of the business of the Company both vertically and horizontally but at the same time your directors do not want to lose grip in an already expanding and growing business in which your company is engaged in. Hence, some of the divestments that Company has carried out to maintain its focus on its core business. However, there is no change in the nature of business. The following are the divestments the company has carried during the year under review is as follow:

- The Company has sold its entire Gas Division situated at 9-B, Industrial Area, Gondwara, Urla, Raipur (C.G.)

to M/s Amrit Metal & Gases LLP. The Total Sales Consideration of Gas Division is ₹ 2.40 Crores.

- Also, during the year under review the Company has sold the part of Ferro Alloys Division Unit - 2 situated at Rasmada, District - Durg, Chhattisgarh to M/s Bansal Brothers, Bhilai, Chhattisgarh for ₹ 3.30 Crores.

The above sale of the businesses of the Company has been carried out in accordance of the applicable laws like Companies Act, 2013, LODR, Regulations, 2015 etc and valuation of both the assets has been done in accordance with District Industrial Centre.

#### 6. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report:

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

#### 7. Capital Structure:

The Paid-up Equity share capital of the Company as on April 01, 2021 was ₹ 13,68,97,500/- divided into 1,36,89,750 Equity Shares of ₹ 10/- each. No change was made during the year. The equity share capital thus, as on March 31, 2022 was ₹ 13,68,97,500/-.

During the F.Y. 2021-22 your Company has neither issued shares with differential voting rights as to dividends, voting or otherwise nor issued shares (including sweat equity shares) to the employees or directors of the company under any scheme such as bonus, right issue, private placement, preferential allotment or by any other mode as per Companies Act, 2013.

#### 8. Directors and Key Managerial Personnel:

##### 8.1. Appointment of Mr. Sunil Dutt Bhatt as an Independent Director:

During the year under review, to provide more independency to the Board and given his background

and academics in metallurgical engineering and statistics and experience of more than 35 years in department of Instrument and Weighment in Bhilai Steel Plant, Bhilai, Chhattisgarh, the Board on recommendation of Nomination and Remuneration Committee appointed Mr. Sunil Dutt Bhatt (DIN: 09263587) as an additional independent director vide the Board Resolution dated August 04, 2021 for a period of five year, his appointment was then subsequently approved by the Shareholders in their Annual General Meeting dated September 14, 2021.

## 8.2. Resignation and Appointment of Company Secretary and Compliance Officer:

During the year under review, Ms. Itika Singhal resigned from the post Company Secretary and Compliance Officer of the Company on June 30, 2021 and Mr. Pratik Jain on recommendation of Nomination and Remuneration committee was appointed by the Board of Directors at their meeting held on June 25, 2021 as the Company Secretary and Compliance Officer of the Company on and from June 30, 2021. The Board places on record the valuable contributions made by Ms. Itika Singhal as a Company Secretary and Compliance Officer of the Company.

## 8.3. Appointment of CEO:

The Board of Directors on recommendation of Nomination and Remuneration committee in their meeting dated July 14, 2021 has appointed Mr. Mayur Bhatt (DIN: 07586457), Whole-Time Director as the Chief Executive Officer of the Company currently Mr. Mayur Bhatt holds the post of Whole-Time Director as well as the Chief Executive Officer of your Company.

## 8.4. Resignation of Mr. Kishore Kumar Bansal:

During the year under review, Mr. Kishore Kumar Bansal (DIN: 03067387), citing his health reasons resigned from the Board of Directors of the Company with effect from August 02, 2021. The Company has benefitted a lot from his vast administrative experience, deep involvement and long association, the Board members places on record their deep appreciation of his contribution.

## 8.5. Resignation of Mr. Anoop Kumar Bansal from Chairmanship and Appointment of Sunil Kumar Agrawal:

Mr. Anoop Kumar Bansal (DIN: 01661844), Managing Director of the Company has resigned as the Chairman of the Board of Directors with effect from August 04, 2021 and on recommendation of Nomination and Remuneration committee Mr. Sunil Kumar Agrawal (DIN: 08680582), Non-Executive Non-Independent Professional Director was appointed as the Chairman by the Board of Directors of the Company with effect from August 04, 2021, the decision of separating the post of the Chairman and that of managing director was taken to make the Board more independent of the management of the Company. This decision of your Company can be said to be a mile stone in the governance of your Company and in compliance with the listing regulations in letter and spirit as the listing regulation provides the separation of the post of Chairman and Managing Director as a discretionary requirement.

None of your directors is dis-qualified under Section 164 (2) of Companies Act, 2013.

## 8.6. Reappointments:

### 8.6.1. Director liable to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mayur Bhatt (DIN: 07586457), Whole-Time Director and Chief Executive Officer of your Company retires by rotation in the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

### 8.6.2. Reappointment of Independent Woman Director

The term of Ms. Rama Kohli (DIN: 01835824), independent woman director was to end on August 23, 2021, the Board considered that her continued association would be of immense benefit to the Company and it is desirable to continue her appointment as an independent woman director given her experience in steering the decision making at the top level of governance of the Company and looking at the contributions made by her as a director of the Board and also as members of the committees of the Board, the Board on recommendation of Nomination and Remuneration committee decided to re-appoint her for the further period of five years as an independent woman director vide their resolution dated June 25, 2021 which was put before the shareholders of the Company through postal ballot which concluded on August 17, 2021.

## 9. Declaration by Independent Directors:

The Board of Directors confirm that in the opinion of the Board, all Independent Directors are independent of the management of the Company and have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under Section 149 (6) and SEBI (LODR) Regulations, 2015.

## 10. Statement on compliance of code of conduct:

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and senior executives in respect of Financial Year 2021-22."

Mr. Mayur Bhatt  
Whole-Time Director and CEO

## 11. Board and the committee Meetings

The Board of Directors met 6 (six) times during the financial year 2021-22. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

As on March 31, 2022, the Board had four committees: the audit committee, the corporate social responsibility committee, the nomination and remuneration committee and the stakeholders relationship committee. All committees comprise only independent directors, one of whom is chosen as the chairperson of the committee.

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

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

## 12. Nomination & Remuneration Policy of The Company:

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

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. Extract of Remuneration Policy from Nomination and Remuneration policy is annexed to this report as '**Annexure- B**' and full policy can be accessed from website of the Company (<http://www.sarthakmetals.com/docs/Nomination-and-Remuneration-Policy.pdf>).

## 13. Board Evaluation:

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

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

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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

## 14. Familiarization programmes for Board Members:

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. Your Company provides information to familiarize the Independent Directors with the strategy, operations and functions of the Company.

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

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

## 15. Directors' Responsibility Statement:

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



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

## 16. Internal Financial Controls and their adequacy:

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

## 17. Frauds reported by the Auditor:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies

Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## 18. Disclosures Relating to Subsidiaries, Associates and Joint Ventures:

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

## 19. Deposits:

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

## 20. Particulars of Loans, Guarantees and Investments:

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

## 21. Analysis of Remuneration:

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

Names and Positions	[A] Ratio of Directors' Remuneration to the median Remuneration of Employees	[B] Percentage (%) increase/decrease in Remuneration
Ms. Rama Kohli (Independent Director)	NIL	Not Applicable
Mr. D. V. Giri (Independent Director)	NIL	Not Applicable
Mr. Sunil Dutt Bhatt (Independent Director)	NIL	Not Applicable
Mr. Anoop Kumar Bansal (Managing Director)	25.66 Times	Increased by 50%
Mr. Mayur Bhatt (Whole Time Director & CEO)	8.55 Times	Increased by 100%
Mr. Kishore Kumar Bansal (Director)	NIL	No Change (Resigned on August 02, 2021)
Mr. Sunil Kumar Agarwal (Director)	NIL	No Change
Mr. Sanjay Shah (Whole Time Director)	25.66 Times	Increased by 50%
Mr. Anirudh Singhal (Chief Financial Officer)	10.55 Times	Increased by 147.67%
Ms. Itika Singhal (Company Secretary)	NIL	No Change (Resigned on June 30, 2021)
Mr. Pratik Jain (Company Secretary)	2.16 Times	Not Applicable (Appointed on June 30, 2021)

The median remuneration of employees of the Company during the financial year was ₹ 1,40,284 p.a. Please note that only those persons who were employees as on March 31, 2022 have been considered for the calculation of the median salary. Further, no bonus payments have been considered for these calculations.

<b>[C] Percentage increase in the median Remuneration of Employees</b>	Increase of 29.27%
<b>[D] Number of permanent Employees on the rolls of Company</b>	137 as on March 31, 2022
<b>[E] Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof</b>	Median Salary of non-managerial staff has increased by 29.27% and also the average salary of managerial staff has increase by 9.33%
<b>[F] Affirmation that the remuneration is as per the remuneration policy of the Company</b>	The Company affirms that the remuneration is as per the remuneration policy of the Company

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

## 22. Particulars of Contracts or Arrangements with Related Parties:

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

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

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

## 23. Corporate Governance Report:

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

## 24. Management Discussion and Analysis Report:

As required by Regulation 34 read with Schedule - V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Management Discussion & Analysis Report is annexed to this report as '**Annexure - D**' forms part of the Annual Report.

## 25. Corporate Social Responsibility (CSR):

With the objective of sustainable development and continual improvement, your Company adopts a voluntary and proactive approach to CSR to connect with the society by creating a sense of belonging. The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Promoting Health Care, Promotion of Education, Ensuring Environment Sustainability etc. Your Company strives for sustainable development programs in partnership with the community.

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

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

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

## 26. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

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

## B. Foreign exchange earnings and Outgo:

(In ₹)

Particulars	As on 31.03.2021	As on 31.03.2022
Foreign Exchange Earnings	17,88,31,925.31	59,12,64,329.98
Foreign Exchange Outgo	77,54,59,026.33	1,02,17,35,527.00

## 27. Risk Management:

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

## 28. Details of Establishment of whistle blower policy for vigil mechanism:

Pursuant to the Section 177 (9) and (10) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Stakeholders, Individual Employees and their representative bodies, to report to the audit committee about the illegal or unethical practices or frauds, or violation of the Company's Code of Conduct.

It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

The mechanism also provides adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

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

## 29. Material Orders of Judicial Bodies / Regulators:

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

## 30. Auditors:

### 30.1. Statutory Auditors':

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s Begani & Begani, Chartered Accountants (ICAI Firm Registration Number 010779C) were appointed as Statutory Auditor of the Company at the 22<sup>nd</sup> AGM held on August 01, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 27<sup>th</sup> AGM to be held in the year 2022. The term of office of M/s Begani & Begani, as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the audit committee, at its meeting held on May 11, 2022, reappointed M/s Begani & Begani, Chartered Accountants (ICAI Firm Registration Number 010779C) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from the conclusion of the 27<sup>th</sup> AGM till the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2027 and will be placed for the approval of the shareholders at the ensuing AGM.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Code of Ethics issued by the Institute of Chartered Accountants of India.

The Board recommends their reappointment to the shareholders. The notice convening the 27<sup>th</sup> AGM to be held on September 05, 2022 sets out the details.

### 30.2. Secretarial Auditors:

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s Nilesh A. Pradhan & Co. LLP, Company Secretaries (COP. No. 7891) to undertake the Secretarial Audit of the Company for the Financial Year ended March 31, 2022.

### 30.3. Cost Auditors':

Pursuant to the provisions of Section 148 of Companies Act, 2013 and the rules made thereunder, the Company has appointed Mr. Gajadhar Prasad, Cost Accountants (Membership No. 39559) to undertake the Cost Audit of the Company for the Financial Year ended March 31, 2022.

## 31. Secretarial Audit Report:

The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed to this report as '**Annexure- F**' and forms an integral part of this report

## 32. Explanations in Response to Auditors' Qualifications:

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

## 33. Disclosure requirements:

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

**33.2.** The Company properly complies with the provision of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India

### 34. Dividends lying in the Unpaid Dividend Account:

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

S. No.	Type of Dividend and Year	Amount (In ₹)	Year in which it will get transferred to IEPF
1.	Final Dividend 2016-17	6,000	2024
2.	Final Dividend 2018-19	26,000	2026
3.	Final Dividend 2019-20	32,450	2027
4.	Final Dividend 2020-21	76,600	2028
5.	Interim Dividend 2021-22	3,683	2029

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

### 35. Annual Return:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual return as on March 31, 2021 is available on the Company's website on <http://www.sarthakmetals.com/docs/Annual%20Return%20-%202021-22.pdf>

### 36. A Statement as to whether cost records is required to be maintained by the Company pursuant to an order of the central government and accordingly such records and accounts are maintained:

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

### 37. Applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016:

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

### 38. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

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

### 39. Disclosures pertaining to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

### 40. Acknowledgements:

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

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked his/her life and safety to fight this pandemic.

sd/-

**Sunil Kumar Agrawal**  
Chairman and Director  
DIN: 08680582

**Date** - July 06, 2022

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

## Annexure - A

### Corporate Governance Report

#### 1. A brief statement on listed entity's philosophy on code of governance:

Effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Governance of an entity like Sarthak Metals Limited is a responsible and accountable task, nonetheless our shareholders' have shown their trust on the Board as well as on the management, which has time and again proven that governance of the Company has been, is and will be in safe hands to make Sarthak achieve new milestones that we at Board aspire.

We consider that both the shareholders and the Board of Directors should be well informed to take the decisions. We strive for achieving highest standards of Corporate Governance at all levels of our operations and management. Our Board of Directors are well informed before the Board Meetings to take an informed decision, they are provided with all the materials, explanations etc.

The Board considers that the value creation for the shareholders must be sustainable and rewarding. Our aim is to involve all the shareholders especially the retail shareholders to have access to the decision making and to keep them informed irrespective of their shareholding. The Company considers the power given by the Companies Act, 2013 and Listing Regulation to a shareholder of the Company as sacrosanct and untouchable, when required the shareholders are given access to all the information that they require for forming their opinion and voting on the resolutions put before them at the general meetings of the Company.

To create a culture of good governance, the Company has adopted practices that comprise of performance accountability, effective management control, fair representation of professionally qualified Non-Executive and Independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The Company besides informing the Board and Shareholders also considers at the time of decision making from the point of view of the interest of all stakeholders including but not to limited bankers, creditors, suppliers, customers, employees and environment.

#### 2. Board of directors

##### 2.1. Composition:

- i. The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors, in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). As on March 31, 2022, the Board of your Company consisted of 7 (Seven) Directors, including three whole-time Executive Directors (including Managing Director and Chief Executive Officer), one non-executive non-independent professional director as a Chairman and 3 independent directors (including women director).
- ii. None of the Directors on the Board:
  - holds directorship in more than ten public companies;
  - serves as Director or as independent directors in more than seven listed entities; and
  - who are the Executive Directors serves as independent directors in more than three listed entities.

None of the Directors is holding any Committee position in other public companies as on March 31, 2022 and the Directors are also not related to each other.

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

- iv. The names and categories of the directors on the Board and other relevant information as on March 31, 2022 are as under:

Name of Directors and DIN	Category	No. of other directorships held*	Member / Chairman of the Board Committees	No. of shares held in the Company
Mr. Sunil Kumar Agarwal (Chairman) DIN: 08680582	Non-Independent, Non-Executive Professional Director	-	-	3,20,000
Mr. Anoop Kumar Bansal (Managing Director) DIN: 01661844	Promoter – Executive Director	-	-	11,45,250
Mr. Sanjay Chamanlal Shah (Whole Time Director) DIN: 00350967	Promoter – Executive Director	-	-	5,85,950
Mr. Mayur Bhatt (Whole Time Director and Chief Executive Officer) DIN: 07586457	Non-Promoter Executive Director	1	-	4,54,050
Mr. Dwadasi Venkata Giri DIN: 02565046	Independent, Non- Executive Director	-	3	-
Ms. Rama Kohli DIN: 01835824	Independent, Non-Executive Director	-	3	-
Mr. Sunil Dutt Bhatt DIN: 09263587	Independent, Non- Executive Director	-	3	74,000

\*Including private limited companies but excluding the Company.

## 2.2. Board Meetings:

The Board of Directors are provided with the requisite information mentioned in the Listing Regulations well before the Board meetings. Six meetings of the Board of Directors were held during the year ended March 31, 2022 and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

- i. June 25, 2021
- ii. July 14, 2021
- iii. August 04, 2021
- iv. October 30, 2021
- v. January 03, 2022
- vi. February 11, 2022

The necessary quorum was present for all the meetings.

The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2022 and at the last Annual General Meeting is as under:

Names of Directors	No. of Board Meetings attended	Last AGM Attended
Mr. Sunil Kumar Agarwal	6	Yes
**Mr. Anoop Kumar Bansal	6	Yes
Mr. Sanjay Chamanlal Shah	6	Yes
Mr. Mayur Bhatt	6	Yes
Mr. Dwadasi Venkata Giri	6	Yes
Ms. Rama Kohli	2	No
Mr. Sunil Dutt Bhatt*	4	Yes
**Mr. Kishore Kumar Bansal#	2	Yes

\*Appointed with effect from August 04, 2021.

# Resigned with effect from August 02, 2021.

\*\*Mr. Anoop Kumar Bansal and Mr. Kishore Kumar Bansal are brothers.

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

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

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

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

S. No.	Name of Director	Qualification and Experience
1.	Mr. Sunil Kumar Agrawal	B.E. (Hons) (Mechanical) He served as Divisional Railway Manager, Nagpur, and as Chief Commercial Manager, SEC Rly, Chief Operating Manager South Central Railway, Hyderabad and as an Additional Member, Ministry of Railways, (equivalent to Additional Secretary to Govt. of India).
2.	Mr. Anoop Kumar Bansal	Bachelor of Commerce and has more than 30 years of experience in the business and industry.
3.	Mr. Sanjay Chamanlal Shah	First Year of Bachelor of Commerce and having more than 35 years of experience in the business and industry and he is heading the Sales & Marketing division of our Company.
4.	Mr. Mayur Bhatt	Bachelor in Arts and Diploma in Electrical Engineering and having more than 18 years of experience in the industry.
5.	Mr. Dwadasi Venkata Giri	Masters of Commerce, LL.B and CA IIB and has vast experience in banking and finance domain
6.	Ms. Rama Kohli	Bachelor in Science and PGDBM and having experience in business advisory activities.
7.	Mr. Sunil Dutt Bhatt	Bachelors in Engineering and Masters of Science in Statistical and Metallurgical Engineering and having more than 35 years of experience in department of Instrument and weighment in Bhilai Steel Plant

### 2.4. Independent Directors:

The Board of Directors confirm that in the opinion of the Board, all Independent Directors are independent of the management of the Company and have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria as laid down under Section 149 (6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company's Independent Directors met on August 04, 2021 without the presence of the management and other non-executive directors. Independent Directors discussed matters pertaining to the Company's affairs and reviewed the performance of Non- Independent Directors, Board as a whole and Chairman of the Company and shared their views / suggestions with Chairman and Managing Director and with the Board of Directors.

The link of the policy on familiarisation programmes to the Independent Directors is as disclosed under point number 14 of Directors Report.

## 2.5. Code of Conduct:

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and senior executives in respect of Financial Year 2021-22."

Mr. Mayur Bhatt  
Whole-Time Director and CEO

## Committees of the Board

There are four Board Committees as on March 31, 2022, details of which are as follows

## 3. Audit committee:

### 3.1. Brief description of terms of reference:

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

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

## 3.2. Composition, name of members and chairperson:

Name of Members	Category
Mr. Dwadasi Venkata Giri	Chairman, Independent Director
Ms. Rama Kohli	Member, Independent Director
Mr. Sunil Dutt Bhatt*	Member, Independent Director
Mr. Sunil Kumar Agrawal*#	Member, Non-Independent Non-Executive Professional Director
Mr. Kishore Kumar Bansal#	Member, Non-Independent Non-Executive Director

#Mr. Kishore Kumar Bansal resigned as the Director of the Company on August 02, 2021. Upon his resignation Mr. Sunil Kumar Agrawal was appointed as the member of the Committee by the Board of Directors in their meeting dated August 04, 2021.

\*The Committee was re-constituted at the Board Meeting dated October 30, 2021 and subsequently in place of Mr. Sunil Kumar Agrawal, Mr. Sunil Dutt Bhatt was made member of the Committee. Now all the members of the Committee are Independent Directors.

### 3.3. Meetings and attendance during the year\*:

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

- i. June 25, 2021
- ii. October 30, 2021
- iii. February 11, 2022

Requisite quorum was present during the meetings

Names of Directors	No. of Audit Committee Meetings attended
Mr. Dwadasi Venkata Giri	3
Mr. Sunil Kumar Agrawal	1
Ms. Rama Kohli	2
Mr. Sunil Dutt Bhatt	1
Mr. Kishore Kumar Bansal	1

\*As the Corporate Governance regulations under Listing Regulations are applicable to the Company with effect from November 25, 2021 i.e., the date of Migration to Main Board, hence we have only conducted 3 Audit Committee meetings.

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



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

The previous AGM of the Company was held on September 14, 2021 and was attended by Mr. D.V. Giri, Chairman of the Audit Committee.

## 4. Nomination and Remuneration Committee ("NRC"):

### 4.1 Brief description of terms of reference;

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

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

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

Name of Members	Category
Mr. Dwadasi Venkata Giri	Chairman, Independent Director
Ms. Rama Kohli	Member, Independent Director
Mr. Sunil Dutt Bhatt*	Member, Independent Director
Mr. Sunil Kumar Agrawal*#	Member, Non-Independent Non-Executive Professional Director
Mr. Kishore Kumar Bansal#	Member, Non-Independent Non-Executive Director

#Mr. Kishore Kumar Bansal resigned as the Director of the Company on August 02, 2021. Upon his resignation Mr. Sunil Kumar Agrawal was appointed as the member of the Committee by the Board of Directors in their meeting dated August 04, 2021.

\* The Committee was re-constituted at the Board Meeting dated October 30, 2021 and subsequently in place of Mr. Sunil Kumar Agrawal, Mr. Sunil Dutt Bhatt was made member of the Committee. Now all the members of the Committee are Independent Directors.

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

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

- June 25, 2021
- August 04, 2021

Requisite quorum was present during all the meetings.

Names of Directors	No. of Nomination and Remuneration Committee Meetings attended
Mr. Dwadasi Venkata Giri	2
Mr. Sunil Kumar Agrawal	1
Ms. Rama Kohli	2
Mr. Sunil Dutt Bhatt	-
Mr. Kishore Kumar Bansal#	1

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.
- The previous AGM of the Company held on September 14, 2021 and was attended by Mr. D.V. Giri, Chairman of the NRC.

### 4.4. Performance evaluation criteria for independent directors

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

For more details refer point no. 13 of Directors Report.

## 5. Stakeholders' Relationship Committee ("SRC"):

### 5.1 Brief description of terms of reference;

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

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

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

Name of Members	Category
Mr. Dwadasi Venkata Giri	Chairman, Independent Director
Ms. Rama Kohli	Member, Independent Director
Mr. Sunil Dutt Bhatt*	Member, Independent Director
Mr. Sunil Kumar Agrawal*#	Member, Non-Independent Non-Executive Professional Director
Mr. Kishore Kumar Bansal#	Member, Non-Independent Non-Executive Director

#Mr. Kishore Kumar Bansal resigned as the Director of the Company on August 02, 2021. Upon his resignation Mr. Sunil Kumar Agrawal was appointed as the member of the Committee by the Board of Directors in their meeting dated August 04, 2021.

\* The Committee was re-constituted at the Board Meeting dated October 30, 2021 and subsequently in place of Mr. Sunil Kumar Agrawal, Mr. Sunil Dutt Bhatt was made member of the Committee. Now all the members of the Committee are Independent Directors.

### 5.3 Meeting and attendance during the year;

One meeting of Stakeholders Relationship Committee was held during the year under review on June 25, 2021 requisite quorum was present during the meeting.

Names of Directors	No. of Stakeholders' Relationship Committee attended
Mr. Sunil Kumar Agrawal	-
Mr. Dwadasi Venkata Giri	1
Ms. Rama Kohli	1
Mr. Sunil Dutt Bhatt	-
Mr. Kishore Kumar Bansal#	1

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

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Stakeholders Relationship Committee and is the Compliance Officer for the requirements of SEBI LODR
- The previous AGM of the Company held on September 14, 2021 and was attended by Mr. D.V. Giri, Chairman of the SRC.
- The Committee is spearheaded by Mr. Dwadasi Venkata Giri, Non-Executive Independent Director

## 6. Corporate Social Responsibility Committee:

### 6.1. Brief description of terms of reference;

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

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

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

Name of Members	Category
Mr. Dwadasi Venkata Giri	Chairman, Independent Director
Mr. Sunil Kumar Agrawal*	Member, Non-Independent Non-Executive Professional Director
Ms. Rama Kohli	Member, Independent Director
Mr. Sunil Dutt Bhatt*	Member, Independent Director
Mr. Kishore Kumar Bansal#	Member, Non-Independent Non-Executive Director

#Mr. Kishore Kumar Bansal resigned as the Director of the Company on August 02, 2021. Upon his resignation Mr. Sunil Kumar Agrawal was appointed as the member of the Committee by the Board of Directors in their meeting dated August 04, 2021.

\* The Committee was re-constituted at the Board Meeting dated October 30, 2021 and subsequently in place of Mr. Sunil Kumar Agrawal, Mr. Sunil Dutt Bhatt was made member of the Committee. Now all the members of the Committee are Independent Directors.

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

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

- June 25, 2021
- February 11, 2022

Requisite quorum was present during the meetings.

Names of Directors	No. of Corporate Social Responsibility Committee Meetings attended
Mr. Dwadasi Venkata Giri	2
Mr. Sunil Kumar Agrawal	-
Ms. Rama Kohli	1
Mr. Sunil Dutt Bhatt	1
Mr. Kishore Kumar Bansal#	1

- Mr. Pratik Jain, Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.
- The previous AGM of the Company held on September 14, 2021 and was attended by Mr. D.V. Giri, Chairman of the CSR Committee.

## 7. Remuneration of directors:

### 7.1 Remuneration Policy

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

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

appointment of the Executive Directors is governed by the resolutions passed by the Board and the shareholder of the Company read with the service rules and regulations of the Company.

The policy on the payments to non-executive directors is available on the website of the Company at below mentioned address:

<http://www.sarthakmetals.com/docs/Policy%20on%20remuneration%20to%20Non%20Executive%20Directors.pdf>

The Company's remuneration policy for Directors, Key Managerial Personnel and other employees can be accessed at

<http://www.sarthakmetals.com/docs/Nomination-and-Remuneration-Policy.pdf> on the website of the Company.

### 7.2. Details of Remuneration paid to Directors during the financial year ended March 31, 2022

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

#### a) Executive Directors:

(₹ in Lakhs)

Name of the Director	Designation	Salary	Perquisites and Allowances	Retiral Benefits	Bonus	Total	Stock Options Granted
Mr. Anoop Kumar Bansal	Managing Director	36.00	NIL	NIL	6.00	42.00	NIL
Mr. Sanjay Chamanlal Shah	Whole-Time Director	36.00	NIL	NIL	6.00	42.00	NIL
Mr. Mayur Bhatt*	Whole-Time Director	12.00	NIL	NIL	2.00	14.00	NIL

\*Also holds the office of CEO

The above salaries and benefits are subject to ratification of the shareholders in ensuing Annual General Meeting.

#### Contract Period:

1. Mr. Anoop Kumar Bansal – Five years from August 22, 2019
2. Mr. Sanjay Chamanlal Shah – Five years from August 26, 2019
3. Mr. Mayur Bhatt – Five years from August 22, 2019, Mr. Mayur Bhatt, director who is liable to retire by rotation and being eligible offers himself for re-appointment at ensuing Annual General Meeting.

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

#### b) Non-Executive Directors:

Particulars of commission/sitting fee paid to the Non- Executive Directors during financial year ended March 31, 2022 are as follows:

(₹ in Lakhs)

Name of the Director	Sitting fees	Commission	Total
Mr. Sunil Kumar Agrawal	0.40	NIL	40.00
Ms. Rama Kohli	0.20	NIL	20.00
Mr. Dwadasi Venkata Giri	0.40	NIL	40.00
Mr. Sunil Dutt Bhatt	0.40	NIL	40.00
Mr. Kishore Kumar Bansal	NIL	NIL	NIL

No commission has been paid to the Non- Executive Directors. There is no pecuniary relationship or transactions between the Company and Non- Executive Directors during the financial year 2021-22.

## 8. General body meetings:

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

Year	Date	Day	Time	Special Resolutions passed
2018-19	August 28, 2019	Wednesday	11:00 A.M.	-
2019-20	September 09, 2020	Wednesday	11:00 A.M.	-
2020-21	September 14, 2021	Tuesday	11:00 A.M.	-

8.2. The special resolution passed during the financial year 2021-22 through postal ballot along with the voting pattern is as under:

The Company conducted postal ballot exercise for the following resolutions along with their voting results is as below:

### RESOLUTION 1: Migration from BSE SME Platform to Main Board of BSE Ltd.:

Particulars	No. of Postal Ballot forms	No. of Shares	Percentage of total valid votes Cast
Total Votes received through			
Postal Ballot	69	1,15,56,500	-
Less: Invalid votes	6	32,000	-
* Net Valid votes	63	1,15,24,500	100
Votes cast in favour of the Resolution	63	1,15,24,500	100
Votes cast in against the Resolution	-	-	-

### RESOLUTION 2: Listing on Main Board of NSE:

Particulars	No. of Postal Ballot forms	No. of Shares	Percentage of total valid votes Cast
Total Votes received through			
Postal Ballot	69	1,15,56,500	-
Less: Invalid votes	6	32,000	-
* Net Valid votes	63	1,15,24,500	100
Votes cast in favour of the Resolution	63	1,15,24,500	100
Votes cast in against the Resolution	-	-	-

### RESOLUTION 3: Re-appointment of Ms. Rama Kohli (DIN: 01835824) as an Independent Woman Director of the Company:

Particulars	No. of Postal Ballot forms	No. of Shares	Percentage of total valid votes Cast
Total Votes received through			
Postal Ballot	69	1,15,56,500	-
Less: Invalid votes	6	32,000	-
* Net Valid votes	63	1,15,24,500	100
Votes cast in favour of the Resolution	63	1,15,24,500	100
Votes cast in against the Resolution	-	-	-

### 8.3. Person who conducted the postal ballot exercise:

The Board appointed M/s Nilesh A. Pradhan & Co., LLP Practicing Company Secretaries as scrutinizers for conducting postal ballot process.

### 8.4. Whether any special resolution is proposed to be conducted through postal ballot:

The Company as on the date of this report has no plans to pass any special resolution through postal ballot. Accordingly, there is no procedure that has been proposed for postal ballot.

## 9. Means of communication:

i	Quarterly Results	The quarterly, half yearly and yearly financial results of the Company are submitted with the stock exchanges after they are approved by the Board. These are also published in the Newspapers, in the prescribed format as per the provisions of the SEBI LODR.
ii	Newspaper wherein results normally published	Economic Times and Shram Bindu (Vernacular) newspaper for the year 2021-22.
iii	Any website, where displayed	<a href="http://www.sarthakmetals.com">www.sarthakmetals.com</a>
iv	Whether it also displays official news releases	The Company gives Press Releases to the stock exchanges and displays the same on its website.
v	The presentations made to institutional investors or to the analysts	The Company holds Analysts'/Investors Meetings from time to time. The presentations made at the said meetings are uploaded on Company's website. The necessary intimation in terms of Regulation 30 of SEBI LODR are also made to the stock exchanges.
vi	NSE Electronic Application Processing System (NEAPS)	The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.
vii	BSE Corporate Compliance & Listing Centre (the "Listing Centre")	BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.
viii	SEBI Complaint Redressal System (SCORES)	The investor complaints are processed in a centralized web-based complaint redressal system. The salient features of this system are: Centralized Data Base of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

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

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

## 10. General shareholder information:

### 10.1. Details of General Meeting:

Annual General Meeting	
Date	: Monday, September 05, 2022
Time	: <a href="#">11:00 A.M.</a>
Venue	: B.B.C Colony Khursipar G.E. Road Bhilai Chhattisgarh, 490011.
Financial Year	: 2021-22
Date of Book Closure/Record Date	: As mentioned in the Notice of this AGM
Dividend Payment date	: On or after September 10,2022

## 10.2. Listing on Stock Exchanges:

Pursuant to provisions of Regulation 277 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Company can voluntarily migrate from SME Exchange to Main Board of BSE Ltd and list on National Stock Exchange of India Ltd. The Board of Directors of the Company in its meeting held on July 14, 2021 decided to migrate from BSE SME Exchange to BSE Ltd Main Board and listing on Main Board of National Stock Exchange of India Limited which was approved by the members of the Company by way of Special Resolution vide Postal ballot which ended on August 17, 2021. The Company received in-principal approval from BSE Limited and from National Stock Exchange of India Limited was received on October 27, 2021 and on November 18, 2021, respectively.

Your directors are happy to inform you that the Company's equity shares with effect from November 25, 2021 are listed on the Main Board of BSE Limited and National Stock Exchange of India Limited. Some of the benefits of the migration which has now been unlocked for the shareholders is as follows:

- i. Liquidity in the transactions on secondary market due to removal of minimum investment criteria.
- ii. Increase in the retail investors participation.

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

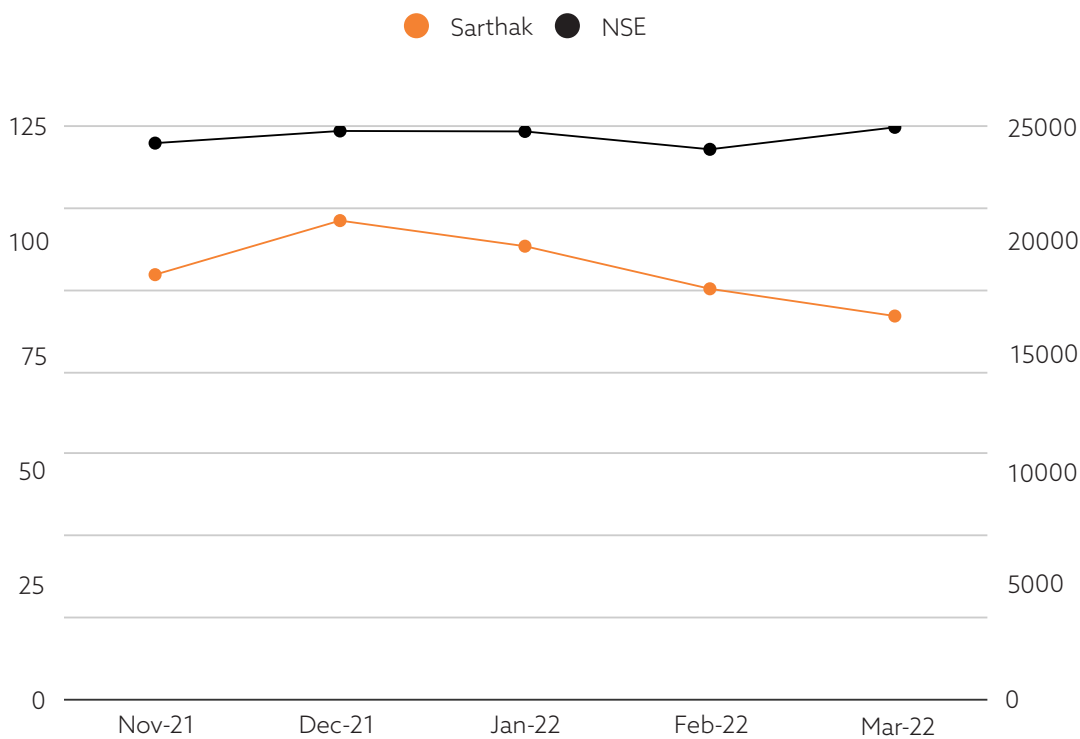
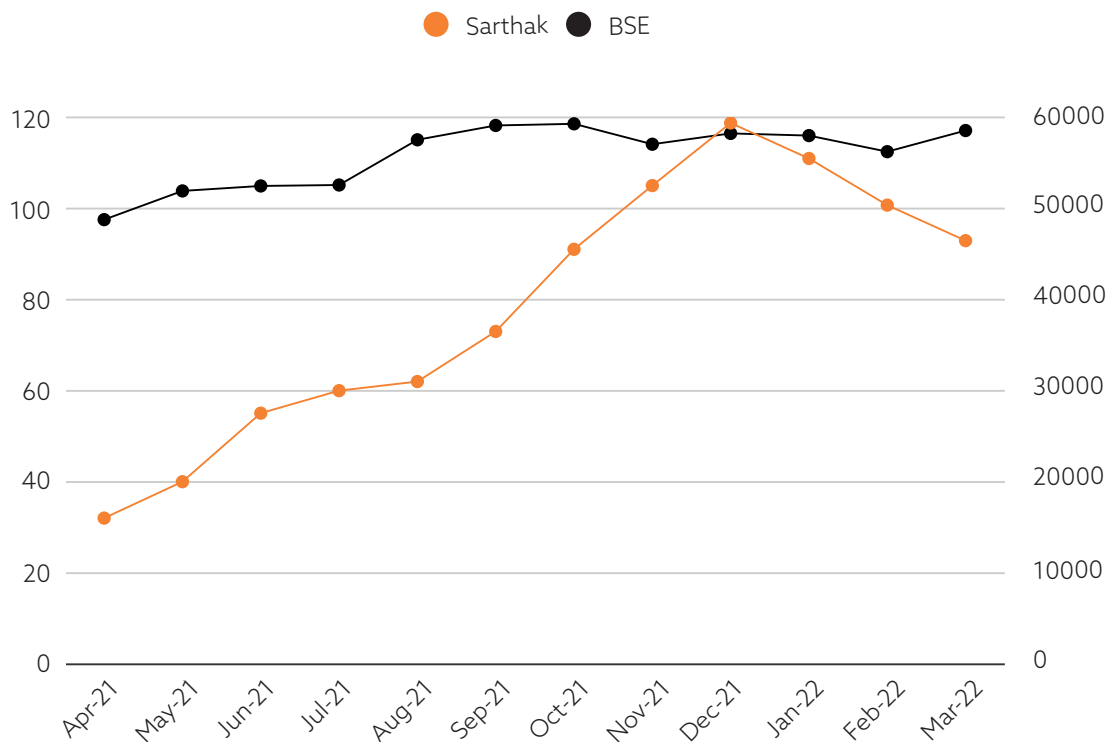
Name of the Stock Exchange	Stock Code
BSE Limited, Mumbai	540393
National Stock Exchange of India Limited	SMLT
ISIN (International Securities Identification Number): INE017W01010	

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. The Company has paid Annual Listing Fees to BSE Limited and to the National Stock Exchange of India Limited, Mumbai, for the equity shares for the Financial Year 2022-23.

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

Date	BSE: 540393		NSE: SMLT	
	BSE - High	BSE - Low	NSE - High	NSE - Low
Mar-22	110.0	91.6	113.8	92.1
Feb-22	126.8	83.0	127.4	90.0
Jan-22	125.1	104.3	125.0	104.2
Dec-21	145.3	91.1	144.0	90.6
Nov-21	126.5	78.5	127.0	89.9
Oct-21	99.0	69.3	NA	NA
Sep-21	84.9	62.1	NA	NA
Aug-21	69.9	49.6	NA	NA
Jul-21	70.1	55.0	NA	NA
Jun-21	59.0	43.5	NA	NA
May-21	45.6	29.0	NA	NA
Apr-21	32.0	28.0	NA	NA

10.4. Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc:



### 10.5. Registrar to an issue and share transfer agents (for physical as well as electronic):

Bigshare Services Pvt. Ltd.  
Office No S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai - 400093  
Email ID - [joyv@bigshareonline.com](mailto:joyv@bigshareonline.com)  
Contact number - 022- 62638236

### 10.6. Share transfer system:

As per SEBI LODR and directions issued by SEBI, effective from April 01, 2019, the securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to April 01, 2019 and returned due to deficiency in the document. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

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

### 10.7. Reconciliation of Share Capital Audit

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

### 10.8. Distribution of shareholding:

Shareholding pattern as on March 31, 2022:

S. No.	Category	No. of Shares	Percentage
1.	Promoter and Promoter Group	95,59,950	69.83
2.	Banks / MF's / FI's / Ins. Cos. / NBFCs / AIF's	-	-
3.	Foreign Portfolio Investors	-	-
4.	Overseas Corporate Bodies	-	-
5.	Bodies Corporate	3,08,571	2.25
6.	Individual NRI's	2663	0.02
7.	Resident Individuals	35,53,161	25.96
8.	IEPF Authority	-	-
9.	Others	2,65,405	1.94
<b>Total*</b>		<b>1,36,89,750</b>	<b>100</b>

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

Shareholding of Nominal Value			Shareholder		No. of shares	
(In ₹)			Number	% of Total	Number	% of Total
Up	to	5000	2,107	84.62	1,41,735	1.04
5,001	-	10,000	95	3.82	80,952	0.59
10,001	-	20,000	97	3.90	1,68,472	1.23
20,001	-	30,000	10	0.40	25,825	0.19
30,001	-	40,000	74	2.97	2,91,168	2.13
40,001	-	50,000	10	0.40	46,177	0.34
50,001	-	1,00,000	21	0.84	1,54,261	1.13
1,00,001	and	above	76	3.05	1,27,81,160	93.35
<b>Total</b>			<b>2,490</b>	<b>100</b>	<b>1,36,89,750</b>	<b>100</b>



### 10.9. Dematerialization of shares and liquidity:

The Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on March 31, 2022, the Company has 100% shareholding including that of promoters in dematerialized form.

### 10.10. Commodity price risk or foreign exchange risk and hedging activities:

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

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

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

### 10.11. Our manufacturing unit's location:

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

### 10.12 Address for correspondence:

#### Sarthak Metals Limited

Registered Office Address:

BBC Colony, G.E Road,  
Khursipar, Near Bhilai ITI,  
Bhilai

Chhattisgarh - 490011

India

Tel: +91-9303773708

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

### 10.13. Credit Ratings:

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

Particulars	Rating May 31, 2021
Total Bank Loan Facilities Rated	₹ 27.25 crore
Long Term Rating	CRISIL BBB/Stable (Re-affirmed)

### 11. Other Disclosures:

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

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

None of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 33 of standalone financial statements forming part of the Annual Report.

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

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

During the last three years, the Company has complied with all the applicable Act and Regulations and there was no non-compliance by the Company. No penalties, strictures, fines were imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets.

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

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

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

<http://www.sarthakmetals.com/docs/SML-Whistle-Blower-Policy.pdf>

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

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

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

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

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

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

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

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

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

The Company has complied with the all the mandatory requirements during the Financial Year 2021-22.

### 11.7. Web link where policy for determining 'material' subsidiaries is disclosed;

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

### 11.8. Web link where policy on dealing with related party transactions;

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

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

### 11.10. Disclosure of commodity price risks and commodity hedging activities:

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

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

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

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

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

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

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

11.14. There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of SEBI (LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to Board of Directors of the Company.

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

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

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

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

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

The Company has separated the post of Chairman and Managing Director to provide for more independence of the Board from the management of the Company. Accordingly, Mr. Anoop Kumar Bansal, Managing Director of the Company has resigned as the Chairman of the Board of Directors with effect from August 04, 2021 and on recommendation of Nomination and Remuneration committee Mr. Sunil Kumar Agrawal, Non-Executive

Non-Independent Professional Director was appointed as the Chairman by the Board of Directors of the Company with effect from August 04, 2021.

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

**11.20. The disclosures of the compliance with corporate governance requirements:**

As disclosed in the Directors Report, the Company has migrated on the main board of BSE Limited and has also been listed on the main board of the National Stock Exchange of India Limited with effect from November 25, 2021. Accordingly, the provisions relating to corporate governance have become applicable on and from November 25, 2021 as the Company prior to migration and listing was listed on BSE SME platform, as per Regulation 15 (2) (b) the provisions of Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and para-C, D and E of Schedule V is not applicable to SME platform listed entities.

## Annexure - B

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

#### Salient features of the Policy:

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

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

#### Note:

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

## Annexure - C

### Form - AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in lakh), if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
M/s Bansal Bothers Enterprises over which significant Influence exists	Purchase of Raw Material	Annual	Purchase of Raw Material- 2,600.91	N/A	NIL
	Purchase of Consumables goods & Packing Goods		Purchase of Consumables goods & Packing Goods - 6.90		
	Repair & Maintenance Factory Shed & Building		Repair & Maintenance Factory Shed & Building -0.61		
	Repair & Maintenance Plant and Machinery		Repair & Maintenance Plant and Machinery - 1.14		
	Factory Shed & Building		Factory Shed & Building - 2.11		
	Sales of Ferro Alloys		Sales of Ferro Alloys - 3,000.89		
	Plant and Machinery		Plant and Machinery - 0.25		
	Sale of Fixed Assets & Consumables		Sale of Fixed Assets & Consumables - 330.36		

## Annexure - E

### Annual Report on CSR Activities

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

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

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

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

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

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Dwadasi Venkata Giri	Chairman, Non- Executive Independent Director	2	2
2.	Ms. Rama Kohli	Member, Non- Executive Independent Director	2	1
3.	Mr. Sunil Dutt Bhatt	Member, Non- Executive Independent Director	2	1
4.	Mr. Sunil Kumar Agrawal#	Member, Non- Executive Director	2	-
5.	Mr. Kishore Kumar Bansal*	Member, Non- Executive Director	2	1

\* Mr. Kishore Kumar Bansal resigned as the Director of the Company on August 02, 2021. Upon his resignation Mr. Sunil Kumar Agrawal was appointed as the member of the Committee by the Board of Directors in their meeting dated August 04, 2021.

# The Committee was re-constituted at the Board Meeting dated October 30, 2021 and subsequently in place of Mr. Sunil Kumar Agrawal, Mr. Sunil Dutt Bhatt was made member of the Committee. Now all the members of the Committee are Independent Directors.

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

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

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

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

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
---------	----------------	---	---

NIL

**6. Average net profit of the Company as per Section 135(5) of the Act: ₹ 840.15 Lacs.**

7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act: ₹16.80 Lacs.

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): 16.80 Lacs

8. (a) CSR amount spent or unspent for the financial year:

(₹ In Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6) of the Act			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act	
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 16.80	NIL	-	-	NIL	-

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

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135 (6)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Hunger Heroes	(i)	Yes	Delhi	New Delhi	-	6.90	6.90	-	No	Hunger Heroes	CSR00003745
2.	Friends of Tribal Society	(x)	Yes	C.G.	Raipur	-	5.06	5.06	-	No	Friends of Tribal Society	CSR00001898

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

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Sansthanam Abhay Daanam	(iv)	Yes	C.G.	Bhilai	5.00	No	Sansthanam Abhay Daanam	CSR00001492

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year: (8b+8c+8d+8e): ₹ 16.96 lacs

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

S. No.	Particular	Amount (₹ In Lacs)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	16.80
(ii)	Total amount spent for the Financial Year	16.96
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.16
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.16

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lacs.)	Amount spent on the project in the reporting Financial Year (₹ In Lacs.)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lacs.)	Status of the project- Completed Ongoing
1.	-	Shoshit Seva Sangh Foundation	2017	-	-	-	20.40	Ongoing
2.	-	CRY	2018	-	-	-	0.68	Ongoing
3.	-	Bhagwan Mahavir Jain Relief Trust	2018	-	-	-	10.00	Ongoing
4.	-	Government Primary Middle School	2020	-	-	-	3.16	Completed
5.	-	Hunger Heroes	2021	-	-	6.90	10.00	Ongoing
6	-	Friends of Tribals Society	2019	-	-	5.06	5.27	Ongoing
<b>TOTAL</b>						<b>11.96</b>	<b>-</b>	<b>-</b>



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

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

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

Sd/-

**Dwadasi Venkata Giri**Chairman, Corporate Social Responsibility Committee  
DIN: 02565046**Date** - July 06, 2022**Place** - Bhilai (C.G.)

Sd/-

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

## Annexure - F

### Secretarial Audit Report

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

#### For The Financial Year Ended March 31, 2022 (01-04-2021 to 31-03-2022)

To,  
The Members,  
**Sarthak Metals Limited,**  
B.B.C Colony, G.E. Road, Khursipar,  
Bhilai, Chhattisgarh-490011

Dear Sir(s),

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by "the Company" and verification through electronic mode/online mode due to COVID-19 situation and also the information provided by "the Company", its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company, during the audit period covering the financial year ended March 31, 2022 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sarthak Metals Limited for the financial year from April 01, 2021 to March 31, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 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 (Share based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Benefits and Sweat Equity ) Regulations, 2021 (Not Applicable as the Company has not issued any Share based Employee Benefits during the financial year under review);
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
- (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, 2018 (Not applicable as the Company has not bought back / propose to buy back any of its securities during the financial year under review).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year from April 01, 2021 to March 31, 2022 under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except in two such instance wherein Board Meeting was called at shorter notice due to urgency of matter and with respect to which the Company has followed necessary compliances as per the Companies Act, 2013 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.

Decisions at the Board Meetings were taken unanimously.

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

**We further report that** during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1.The Company was migrated from SME platform to the main Board of BSE Limited and listed on main board of National Stock Exchange of India Limited with effect from November 25, 2021.

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

- (i) Preferential Allotment/ Public / Rights /debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign Technical collaborations.

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

**Date:** Mumbai  
**Place:** July 06, 2022

Sd/-  
**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR: 791/2020  
PR:1908/2022  
UDIN: F007478D000571899

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

## Annexure - I

To,  
The Members,  
**Sarthak Metals Limited,**  
B.B.C Colony, G.E. Road, Khursipar,  
Bhilai, Chhattisgarh-490011

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

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

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

**Date:** Mumbai  
**Place:** July 06, 2022

Sd/-  
**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR: 791/2020  
PR:1908/2022  
UDIN: F007478D000571899

## Annexure - G

### Independent Corporate Governance Report

To  
The Members  
**Sarthak Metals Limited**

We have examined the compliance of conditions of Corporate Governance by **Sarthak Metals Limited** ("the Company"), for the period November 25, 2021 to March 31, 2022 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the said Company with stock exchange (s).

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

In our opinion and to the best of our information and according to the explanation given to us by the Company the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

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

**Date:** Mumbai  
**Place:** July 06, 2022

Sd/-  
**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR: 791/2020  
PR: 1908/2022  
UDIN: F007478D000571899

## Annexure - H

### Certificate on Disqualification

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

To  
The Members  
**Sarthak Metals Limited**

We have examined the relevant registers, records, forms and returns maintained / filed by Sarthak Metals Limited (CIN : L51102CT1995PLC009772) having its Registered Office at B.B.C Colony , G.E. Road, Khursipar, Bhilai, Chhattisgarh-490011 ("hereinafter referred to as the Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as listed hereunder as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other statutory authority.

S.No.	Name of Director	Director Identification Number (DIN)	Date of Appointment *
1	Sanjay Chamanlal Shah	00350967	02/01/2003
2	Anoop Kumar Bansal	01661844	28/07/1995
3	Rama Kohli	01835824	24/08/2016
4	Dwadasi Venkata Giri	02565046	31/07/2020
5	Mayur Bhatt	07586457	21/08/2016
6	Sunil Kumar Agarwal	08680582	01/02/2020
7	Sunil Dutt Bhatt	09263587	04/08/2021

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

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

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

**Date:** Mumbai  
**Place:** July 06, 2022

Sd/-  
**Prajakta V. Padhye**  
Partner  
FCS No: 7478  
COP No: 7891  
PR: 791/2020  
PR:1908/2022  
UDIN: F007478D000571899

## Independent Auditors' Report

To  
The Members of Sarthak Metals Limited  
Report on the audit of the financial statements

### Opinion

We have audited the standalone financial statements of M/s SARTHAK METALS LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including

Annexures to Board's Report but does not include the Standalone financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of



the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - III. There were no amounts which are required to be transferred by the Company to the Investor Education and Protection Fund.
  - IV. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN : 22110603AITPKJ2455

**Place:** Raipur (C.G.)  
**Date:** May 11, 2022

## Annexure A to the Auditors Report

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

We have audited the internal financial controls over financial reporting of SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited) ("the Company") as of March 31, 2022 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 March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN : 22110603AITPKJ2455

**Place:**Raipur (C.G.)  
**Date:**May 11, 2022

## Annexure B to the Independent Auditor's Report

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

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that immovable properties disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
  - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets and Monthly/Quarterly Returns filed are in agreement with Books of Accounts of the Company.
- iii. The Company has made investments & has provided Loans to Companies during the year, in respect of which:
  - (a) The Company has not provided loans or advances in the nature of loans.
  - (b) In our opinion, the investments made are prima facie, not prejudicial to the Company's interest.
  - (c) The Company has not provided any loans or advances in the nature of loans.
  - (d) The Company has not provided any loans or advances in the nature of loans, hence there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
  - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

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

There were no undisputed amounts payable in respect of Goods and Service tax, Income Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Commercial Tax	Central Sales Tax	22,46,324/-	2014-15	Deputy Commissioner Commercial Tax
Income Tax	Income Tax	10,15,610/-	2017-18	Commissioner Appeals

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of any loans or other borrowings from any lender or in the Payment of Interest thereon to any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company is not having any Subsidiary and hence, reporting under clause 3(ix)(e) of the Order is not applicable for the year.
- (f) The Company is not having any Subsidiary, joint venture or associate company and hence reporting on clause 3(ix)(f) of the Order is not applicable for the year.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

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

Sd/-  
**(Nikhilesh Begani)**  
 Partner  
 M.No. 110603  
 UDIN : 22110603AITPKJ2455

**Place:**Raipur (C.G.)  
**Date:**May 11, 2022

## Balance Sheet

as at March 31, 2022

(₹ in Lakh)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2A	1129.91	1364.95	1445.31
Capital work-in-progress	2B	-	7.78	-
Intangible Assets	3	2.64	4.35	7.16
Intangible Assets under development		-	-	-
Financial Assets				
Investments	4	75.00	75.00	75.00
Other Financial Assets	5	169.54	112.56	279.15
Other Non-current assets	6	-	-	3.50
<b>Total Non current assets</b>		<b>1377.09</b>	<b>1564.64</b>	<b>1810.12</b>
<b>Current Assets</b>				
Inventories	7	2813.34	2976.43	2193.38
Financial Assets				
Trade Receivables	8	5684.00	3818.31	2806.06
Cash and Cash Equivalents	9	647.48	183.65	121.64
Other Balances with Banks	10	129.07	161.87	6.83
Other Current Assets	11	957.12	420.55	674.19
<b>Total Current Assets</b>		<b>10231.01</b>	<b>7560.81</b>	<b>5802.09</b>
<b>Total Assets</b>		<b>11608.10</b>	<b>9125.45</b>	<b>7612.21</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	12	1368.98	1368.98	1368.98
Other Equity	13	6424.71	3941.31	3219.07
<b>Total Equity</b>		<b>7793.69</b>	<b>5310.29</b>	<b>4588.04</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	14	258.15	441.31	161.39
Provisions	15	72.11	64.79	59.25
Deferred Tax Liabilities (Net)	16	13.85	24.76	31.81
<b>Total Non Current Liabilities</b>		<b>344.11</b>	<b>530.86</b>	<b>252.45</b>
<b>Current Liabilities</b>				
Financial liabilities				
Borrowings	17	1974.92	2678.84	2184.31
Trade Payables	18	-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1028.15	64.50	425.14
Other Financial Liabilities	19	-	55.69	34.18
Other Current Liabilities	20	42.03	283.51	84.92
Provisions	21	117.79	81.40	43.16
Current Tax Liabilities (Net)	22	307.41	120.36	-
<b>Total Liabilities</b>		<b>3814.41</b>	<b>3815.16</b>	<b>3024.17</b>
<b>Total Equity and Liabilities</b>		<b>11608.10</b>	<b>9125.45</b>	<b>7612.21</b>

See accompanying notes to the financial statements 1

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN:22110603AITPKJ2455

Place: Raipur (C.G.)  
Date: May 11, 2022

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

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

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

Sd/-  
**(ANIRUDH SINGHAL)**  
Chief Financial Officer  
PAN - BELPS2753A

Sd/-  
**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN - AUMPJ3071G

## Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	23	45729.80	22171.22
Other Income	24	95.90	36.65
<b>Total Income (I)</b>		<b>45825.71</b>	<b>22207.87</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	25	37713.75	18460.99
Purchases of Stock-in-Trade	26	-	14.52
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	27	224.57	(470.49)
Employee Benefits Expense	28	771.61	718.03
Finance Costs	29	400.09	329.99
Depreciation and Amortisation Expense	2 & 3	168.63	214.00
Other Expenses	30	3229.01	1862.61
<b>Total Expenses (II)</b>		<b>42507.66</b>	<b>21129.65</b>
<b>Profit Before exceptional and extraordinary items and tax (I-II)</b>		<b>3318.05</b>	<b>1078.23</b>
Exceptional items		266.61	-
<b>Profit Before tax (I-II)</b>		<b>3584.66</b>	<b>1078.23</b>
Tax Expense			
(1) Current Tax		845.42	285.00
(2) Deferred Tax	16	(8.87)	(4.12)
(3) Current taxes relating to earlier years		-	2.07
<b>Profit for the period</b>		<b>2748.11</b>	<b>799.42</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(8.11)	(11.66)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		(2.04)	(2.93)
<b>Total Other comprehensive income (Net of Tax)</b>		<b>(6.07)</b>	<b>(8.72)</b>
<b>Total Comprehensive income for the Year</b>		<b>2742.04</b>	<b>790.69</b>
<b>Earnings per Equity Share of ₹10 Each</b>	<b>37</b>		
Basic (in ₹)		20.07	5.84
Diluted (in ₹)		20.07	5.84

Significant accounting policies and Key accounting estimates and judgements

1

Total Equity and Liabilities

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN:22110603AITPKJ2455

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

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

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

Place: Raipur (C.G.)  
Date: May 11, 2022

Sd/-  
**(ANIRUDH SINGHAL)**  
Chief Financial Officer  
PAN - BELPS2753A

Sd/-  
**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN - AUMPJ3071G

Annual Report 2021-22



## Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax as per Profit &amp; Loss Account</b>	<b>3584.66</b>	<b>1078.23</b>
<b>Adjustment for :</b>		
Depreciation	168.63	210.50
Amortisation	-	3.50
Interest (Net)	356.30	298.16
Amortization Of Preliminary Exps	-	-
Provision for Employee Benefits	(8.11)	(11.66)
Provision Expected Credit Loss	9.38	5.09
Loss/ (profit) on sale of fixed assets	(213.50)	-
	312.70	505.58
<b>Operating Profit before Working Capital changes</b>	<b>3897.36</b>	<b>1583.81</b>
<b>Adjustment for :</b>		
Decrease/(Increase) in Inventories	163.09	(783.05)
Decrease/ (Increase) in trade receivables	(1875.06)	(1017.34)
Decrease/(Increase) in other current assets	(536.57)	255.71
Decrease/(Increase) in other financial assets	(56.98)	166.59
Decrease/(Increase) in other non-current assets	-	-
Increase / (Decrease) in provisions	43.70	164.15
Increase / (Decrease) in trade payables	1150.70	(360.64)
Increase / (Decrease) in current liabilities	(241.47)	198.59
Increase / (Decrease) in financial liabilities	(55.69)	21.51
	<b>(1408.29)</b>	<b>(1354.49)</b>
<b>Cash generated from Operations</b>	<b>2489.07</b>	<b>229.32</b>
Direct Taxes (Net)	(845.42)	(285.00)
<b>Net Cash from Operating Activities</b>	<b>1643.65</b>	<b>(55.68)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investment in Fixed Assets including Capital WIP	(190.25)	(135.10)
Proceeds from sale/Subsidy of fixed assets	494.79	-
Interest Received	6.27	3.02
<b>Net Cash used in Investing Activities</b>	<b>310.81</b>	<b>(132.08)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceed From Long Term Borrowing	(183.16)	499.75
Proceed From Capital Investment Subsidy	-	-
Other Short Term Borrowings	(703.91)	274.70
Interest Paid	(362.57)	(301.18)
Dividend Paid	(273.80)	(68.45)
<b>Net Cash from financing Activities</b>	<b>(1523.43)</b>	<b>404.82</b>
<b>Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>431.03</b>	<b>217.06</b>
<b>CASH AND CASH EQUIVALENTS AS AT April 01, 2021 (as per Note-'13')</b>	<b>345.52</b>	<b>128.46</b>
<b>CASH AND CASH EQUIVALENTS AS AT March 31, 2022 (as per Note-'13')</b>	<b>776.55</b>	<b>345.52</b>
<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>431.03</b>	<b>217.06</b>

**Notes:-** The above cash flow statement has been prepared by using indirect method as per Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows.

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN:22110603AITPKJ2455

**Place:** Raipur (C.G.)  
**Date:** May 11, 2022

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

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

Sd/-  
**(ANIRUDH SINGHAL)**  
Chief Financial Officer  
PAN - BELPS2753A

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

Sd/-  
**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN - AUMPJ3071G

## Statement of Changes In Equity

for the year ended March 31, 2022

### A. Equity Share Capital

(₹ in Lakh)

Particulars	No. of Shares	Amount
<b>As at April 01, 2020</b>	<b>136.90</b>	<b>1368.98</b>
Changes in equity share capital during the year	-	-
<b>As at March 31, 2021</b>	<b>136.90</b>	<b>1368.98</b>
Changes in equity share capital during the year	-	-
<b>As at March 31, 2022</b>	<b>136.90</b>	<b>1368.98</b>

### B. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus			Remeasurement of net defined benefit plan through OCI	Total
	Securities Premium Reserves	Capital Investment Subsidy	Retained Earnings		
<b>Balance as on April 01, 2020</b>	<b>433.91</b>	<b>-</b>	<b>2777.45</b>	<b>7.71</b>	<b>3219.07</b>
Profit/(loss) for the year	-	-	799.42	(8.72)	790.69
Other Comprehensive Income / (loss)	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>433.91</b>	<b>-</b>	<b>3576.86</b>	<b>(1.01)</b>	<b>4009.76</b>
Dividends paid (incl. dividend distribution tax)	-	-	(68.45)	-	(68.45)
Transfer to General Reserves	-	-	-	-	-
<b>Balance as on March 31, 2021</b>	<b>433.91</b>	<b>-</b>	<b>3508.41</b>	<b>(1.01)</b>	<b>3941.31</b>
Profit/(loss) for the year	-	-	2748.11	(6.07)	2742.04
Other Comprehensive Income / (loss)	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>433.91</b>	<b>-</b>	<b>6256.53</b>	<b>(7.08)</b>	<b>6683.36</b>
Dividends paid (incl. dividend distribution tax)	-	-	(273.80)	-	(273.80)
Others	-	-	15.15	-	15.15
<b>Balance as on March 31, 2022</b>	<b>433.91</b>	<b>-</b>	<b>5997.88</b>	<b>(7.08)</b>	<b>6424.71</b>

## Significant accounting policies and explanatory notes to Financial Statements

### Company Profile

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

### 1 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The accounting policies are applied consistently to all the years presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 01, 2020 being the date of transition to Ind AS.

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

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

#### Current versus non-current classification

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

#### 1.2 Use of Estimates and Judgments

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

The estimates and judgments used in the preparation of the Financial statements are continuously evaluated by the Company and are based on historical experience

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

### 1.3 Summary of Significant accounting policies

#### (a) Property, Plant & Equipment

##### Measurement at recognition:

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

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

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

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

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

##### Transition to Ind AS

On transition to Ind AS, the Company has elected to consider the carrying value of all its property, plant and equipment appearing in the financial statements prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, and used the same as deemed cost in the Opening Ind AS Balance Sheet as at April 01, 2022.

##### Depreciation and Amortisation

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

Leasehold improvements are amortized over the period of the lease.

The Estimated useful lives of the assets are as follows:

Asset Class	Useful Life taken
Factory Building	30 and 60 years
Plant & Machinery	5 to 15 years
Furniture & Fixtures	0 years
Vehicles	8 to 10 years
Office Equipments	5 year
Computers	3 years

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

#### Derecognition:

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

#### (b) Intangible Assets

##### Measurement at recognition:

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

The Company had elected to consider the carrying value of all its intangible assets appearing in the financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance sheet prepared on April 01, 2020.

##### Amortization:

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

#### Asset Class Useful Life

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

#### Derecognition:

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

#### (c) Revenue Recognition

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

#### Sale of Products:

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

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

#### Export Incentive:

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

#### (d) Other Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with

the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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

### (e) Inventories

"Raw materials components stores and spares are valued at lower of cost and net realizable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials components and stores and spares is determined on FIFO basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials. Cost of finished goods includes GST. Cost is determined on FIFO basis.

Traded goods are valued at estimated cost based on the selling price of the stock based on the past practice.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### (f) Financial Instruments

#### (i) Financial Assets

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

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

"Financial assets are subsequently classified as measured at

#### - Amortised cost

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

income from these financial assets is included in Other Income using the effective interest rate method."

#### - Fair value through profit and loss (FVTPL)

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

#### - Fair value through other comprehensive income (FVOCI)

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

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

#### Derecognition

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

#### (ii) Financial Liabilities

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

#### Derecognition

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

### (g) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The Company applies Expected Credit Loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost. The Company follows 'simplified approach' permitted by Ind AS 109 - Financial Instruments for recognition of impairment loss on trade receivables and lease receivables based on expected lifetime losses at each reporting date right from its initial

recognition. If the reasons for previously recognised impairment losses no longer apply, the impairment losses are reversed provided that this does not cause the carrying amounts to exceed the amortised cost of acquisition.

#### (h) Fair Value Measurement

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

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

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

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

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

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

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

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

If there is no quoted prices in an active market, then the Company uses a valuation techniques that maximise the use of relevant observable inputs and minimise the use

of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

#### (i) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### (j) Investments

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

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

#### (k) Foreign Currency Transactions

The Financial statements are presented in Indian Rupee, which is the Company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/ losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss.

#### Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs

#### Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### (l) Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities

#### Deferred Tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the

extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

#### Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company

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

"A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the Financial statements unless an inflow of economic benefits is probable."

#### (n) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## (o) Provision for Employee Benefits

### Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### Post-Employment Benefits:

#### I. Defined Contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

#### Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### II. Defined benefit plans:

##### i) Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate

##### ii) Gratuity scheme:

The Company has a Defined Benefit Plan namely Gratuity covering its employees. The present value of provisions for defined benefit plans and the resulting expense are calculated in accordance with Ind AS 19 - Employee Benefits by the Projected Unit Credit Method. The future benefit obligations are valued by an independent actuary at the year-end and spread over the entire employment period on the basis of specific assumptions regarding beneficiary structure and the economic environment. This includes the determination of the discount rate, salary escalation, mortality rate etc. which affects the valuation. In determining the appropriate discount rate at each balance sheet date, the Management considers the interest rates which relates to the benchmark rate available for Government Securities and that have terms to maturity approximating the terms of the related defined benefit obligation.

#### Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

#### (p) Lease accounting

##### Assets taken on lease:

The Company mainly has lease arrangements for offices.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straightline method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets



are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonable certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

#### **Short-term leases and leases of low-value assets:**

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

#### **(q) Impairment of Non-financial Assets**

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised.

The recoverable amount is the higher of the fair value less cost to sell and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

#### **(r) Segment reporting**

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance

#### **(s) Dividends Payable**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **(t) Earnings Per Share**

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

#### **(u) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### **(v) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

#### **(w) Rounding Of Amounts**

All amounts disclosed in the Financial statements and notes have been rounded off to the nearest million, unless otherwise stated.

#### **(x) Recent Accounting Pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

#### **(y) Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**(i) Income taxes**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

**(ii) Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**(iii) Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee

benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

**(iv) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**(v) Right-of-use assets and lease liability**

The Company has exercised judgement in determining the lease term as the noncancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised. Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation

## 2A Property, Plant and Equipment

Description of Assets	(₹ in Lakh)							Total
	Freehold Land	Factory Building	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	
<b>Gross Carrying Amount</b>								
<b>Balance as at April 01, 2020</b>	<b>172.18</b>	<b>680.38</b>	<b>1531.62</b>	<b>23.31</b>	<b>297.86</b>	<b>24.56</b>	<b>34.41</b>	<b>2764.31</b>
Additions during the year	-	59.61	62.26	1.69	-	3.02	0.75	127.33
Disposals/ Reclassifications during the year	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>172.18</b>	<b>739.99</b>	<b>1593.88</b>	<b>25.00</b>	<b>297.86</b>	<b>27.57</b>	<b>35.16</b>	<b>2891.64</b>
Additions during the year	52.00	61.51	123.32	1.48	17.17	3.58	4.61	263.68
Disposals/ Reclassifications during the year	1.80	96.55	839.99	1.31	49.24	3.90	1.11	993.90
<b>Balance as at March 31, 2022</b>	<b>222.38</b>	<b>704.95</b>	<b>877.21</b>	<b>25.17</b>	<b>265.79</b>	<b>27.25</b>	<b>38.66</b>	<b>2161.41</b>
<b>Balance as at April 01, 2020</b>	<b>-</b>	<b>190.45</b>	<b>857.78</b>	<b>20.96</b>	<b>198.70</b>	<b>19.44</b>	<b>31.68</b>	<b>1319.00</b>
Depreciation expense for the year	-	44.82	128.75	0.63	30.02	2.50	0.96	207.68
Eliminated on disposal of asset/ reclassifications	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>235.26</b>	<b>986.53</b>	<b>21.59</b>	<b>228.73</b>	<b>21.94</b>	<b>32.64</b>	<b>1526.68</b>
Depreciation expense for the year	-	43.79	94.26	0.41	20.88	2.85	1.36	163.55
Eliminated on disposal of asset/ reclassifications	-	35.64	576.52	0.04	42.79	2.85	0.91	658.73
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>243.42</b>	<b>504.27</b>	<b>21.96</b>	<b>206.82</b>	<b>21.93</b>	<b>33.10</b>	<b>1031.50</b>
<b>Net Carrying amount</b>								
Balance as at April 01, 2020	172.18	489.93	673.85	2.35	99.16	5.12	2.73	1445.31
Balance as at March 31, 2021	172.18	504.73	607.35	3.41	69.13	5.64	2.51	1364.95
<b>Balance as at March 31, 2022</b>	<b>222.38</b>	<b>461.53</b>	<b>372.95</b>	<b>3.21</b>	<b>58.96</b>	<b>5.32</b>	<b>5.57</b>	<b>1129.91</b>

## 2B

(₹ in Lakh)

Capital work-in-progress	Plant & Machinery	Total	Amount in CWIP for a Period of				Total
			Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Balance as at April 01, 2020	-	-	-	-	-	-	-
Balance as at March 31, 2021	7.78	7.78	7.78	-	-	-	7.78
<b>Balance as at March 31, 2022</b>	-	-	-	-	-	-	-

## 3

(₹ in Lakh)

Intangible Assets	Software	Total
<b>Balance as at April 01, 2020</b>	<b>39.84</b>	<b>39.84</b>
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>39.84</b>	<b>39.84</b>
Additions during the year	-	-
Deductions during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>39.84</b>	<b>39.84</b>
<b>Accumulated amortization</b>		
<b>Balance as at April 01, 2020</b>	<b>32.68</b>	<b>32.68</b>
Amortization expense for the year	2.82	2.82
Deductions for the year	-	-
<b>Balance as at March 31, 2021</b>	<b>35.50</b>	<b>35.50</b>
Amortization expense for the year	1.71	1.71
Deductions for the year	-	-
<b>Balance as at March 31, 2022</b>	<b>37.21</b>	<b>37.21</b>
<b>Net Carrying amount</b>		
Balance as at April 01, 2020	7.16	7.16
Balance as at March 31, 2021	4.35	4.35
<b>Balance as at March 31, 2022</b>	<b>2.64</b>	<b>2.64</b>

**Notes:** The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use as its deemed cost as at the date of transition to Ind AS i.e. April 01, 2020.

## 4 Investments

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Investment in Unquoted investments (Fully paid up)</b>			
<b>(At fair value through Other comprehensive Income)</b>			
<b>Investment in Unquoted Equity Shares</b>			
Sarthak Energy Pvt Ltd	75.00	75.00	75.00
2,50,000 Equity Shares of face value ₹ 10/- each (as at March 31, 2021 - 2,50,000 Equity Shares of FV ₹ 10/- each & as at March 31, 2020 - 2,50,000 Equity Shares of FV ₹ 10/- each)			
<b>Total</b>	<b>75.00</b>	<b>75.00</b>	<b>75.00</b>

## 5 Other Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Unsecured and Considered Good</b>			
Sundry Deposits	169.54	112.56	279.15
<b>Total</b>	<b>169.54</b>	<b>112.56</b>	<b>279.15</b>

## 6 Other Non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Others</b>			
Preliminary Exps	-	-	3.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.50</b>

## 7 Inventories

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Raw Materials	2082.30	1971.67	1653.27
Finished Goods	685.21	909.78	439.29
Stores, Spares and Consumables	45.83	94.98	100.81
<b>Total</b>	<b>2813.34</b>	<b>2976.43</b>	<b>2193.38</b>

## 8 Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Unsecured:</b>			
Considered good	5712.56	3837.50	2820.16
Considered doubtful	-	-	-
	<b>5712.56</b>	<b>3837.50</b>	<b>2820.16</b>
Less: Allowance for Expected Credit Loss	(28.56)	(19.19)	(14.10)
<b>Total</b>	<b>5684.00</b>	<b>3818.31</b>	<b>2806.06</b>

## 9 Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Cash and Cash Equivalents</b>			
Cash on hand	7.56	6.03	6.73
<b>Balances with Banks</b>			
In Current Accounts	639.92	177.62	114.91
<b>Total</b>	<b>647.48</b>	<b>183.65</b>	<b>121.64</b>

## 10 Other Balances with Banks

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Term Deposits*	127.62	161.23	6.43
Unpaid Dividend Account	1.45	0.64	0.40
<b>Total</b>	<b>129.07</b>	<b>161.87</b>	<b>6.83</b>

\*Margin money deposits ₹ 127.62 Lakh as at March 31, 2022, ₹ 161.23 Lakh as at March 31, 2021 and ₹ 6.43 Lakhs as at March 31, 2020 are subject to first charge to secure the Company's Line of Credit Buyers' Credit and Bank Guarantees.

## 11 Other Current Assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Balance with Government Authorities	334.09	149.27	160.61
Advance Income Tax (Net of Provision for Tax)	31.40	31.40	29.33
Prepaid Expenses	3.69	9.10	5.69
<b>Others</b>			
Other Receivable	1.74	4.90	-
Advances to Suppliers	586.19	225.87	478.56
<b>Total</b>	<b>957.12</b>	<b>420.55</b>	<b>674.19</b>

## 12 Equity Share Capital

(Amount in ₹)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Authorised :</b>			
1,50,00,000 Equity Shares of ₹ 10 each	15,00,00,000	15,00,00,000	15,00,00,000
	<b>15,00,00,000</b>	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>Issued, Subscribed and Paid up :</b>			
1,36,89,750 Equity Shares of ₹ 10 Each Fully Paid up.	13,68,97,500	13,68,97,500	13,68,97,500
	<b>13,68,97,500</b>	<b>13,68,97,500</b>	<b>13,68,97,500</b>

### a) Reconciliation of number of shares

(₹ in Lakh)

Equity Shares	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	Number	(₹)	Number	(₹)	Number	(₹)
Shares outstanding at the beginning of the year	136.90	1368.98	136.90	1368.98	136.90	1368.98
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>136.90</b>	<b>1368.98</b>	<b>136.90</b>	<b>1368.98</b>	<b>136.90</b>	<b>1368.98</b>

**b) Details of shareholders holding more than 5% of shares:**

Name of Shareholders	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% of Holding
Equity Shares of ₹ 10 each held by:						
1. Shri Anoop Kumar Bansal	11.45	8.37%	11.45	8.37%	11.45	8.37%
2. Shri Kishore Kumar Bansal	7.41	5.41%	7.41	5.41%	7.41	5.41%
3. Shri Manoj Kumar Bansal	37.83	27.63%	37.83	27.63%	37.83	27.63%
4. Metal-Grace Injection Alloys Private Limited	4.84	3.54%	4.84	3.54%	8.76	6.40%

As per the records of the Company, including its registers of Shareholders/Members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**c) Details of shareholding of promoters:**

Name of Shareholders	As at March 31, 2022			As at March 31, 2021			As at April 01, 2020	
	% of Holding	No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% Change in Holding	% of Holding	No. of Shares held (in Lakhs)	% Change in Holding
Equity Shares of ₹ 10 each held by:								
Anoop Kumar Bansal	8.37%	11.45	8.37%	11.45	-	8.37%	11.45	-
Manoj Kumar Bansal	27.63%	37.83	27.63%	37.83	-	27.63%	37.83	-
Kishore Kumar Bansal	5.41%	7.41	5.41%	7.41	-	5.41%	7.41	-
Sanjay C Shah	4.28%	5.86	4.28%	5.86	-	4.28%	5.86	-

**d) Rights, preferences and restrictions :**

The Company has only one class of equity shares having a par value of ₹ 10 Per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. the distribution will be in proportion to the no. of equity shares held by shareholder.

e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current period/ year end.

f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**13 Other Equity**

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Securities Premium Reserve</b>	<b>433.91</b>	<b>433.91</b>	<b>433.91</b>
Retained Earnings			
As per last Balance Sheet	3507.40	2785.16	2808.97
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	2748.11	781.97	(31.52)

Less: Other Comprehensive income (net of tax)	6.07	(8.72)	(7.71)
Less : Appropriations	(15.15)	-	-
Dividend distributed during the year	273.80	68.45	-
<b>Closing Balance</b>	<b>5990.80</b>	<b>3507.40</b>	<b>2785.16</b>
<b>Total</b>	<b>6424.71</b>	<b>3941.31</b>	<b>3219.07</b>

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

### Proposed dividend

The Board of Directors at its meeting held on May 11, 2022 have recommended a payment of final dividend of ₹ 1 per equity share of face value of ₹ 10 each for the financial year ended March 31, 2022. The same amounts to ₹ 1,36,89,750. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

### 14 Borrowings (Non-Current)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Secured Term Loan:</b>			
From Banks	426.31	661.14	161.39
Less: Current maturities of Long term Debt	168.16	219.83	-
<b>Total</b>	<b>258.15</b>	<b>441.31</b>	<b>161.39</b>

### 15 Detail of Securities and Terms of repayment

- 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.
- Vehicle loans from banks is secured by hypothecation of respective vehicles of the Company.
- Term loan from State Bank of India (COVID) was taken during the current financial year and carries effective interest @ 7.40% 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.

### 15 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	72.11	64.79	59.25
<b>Total</b>	<b>72.11</b>	<b>64.79</b>	<b>59.25</b>

### 16 Deferred Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Deferred Tax Liabilities</b>			
Arising on account of:			
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(1.04)	8.99	17.10
Provision for Employee Defined Benefit obligations	22.08	20.60	18.26



<b>Deferred Tax Assets</b>			
Arising on account of:			
Allowances for Doubtful debt and Advances	(7.19)	(4.83)	(3.55)
<b>Total</b>	<b>13.85</b>	<b>24.76</b>	<b>31.81</b>

## 17 Borrowings (Current)

(₹ in Lakh)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 01, 2020</b>
<b>Current maturities of Long-term debts / borrowings</b>			
<b>Term Loans</b>			
Secured			
From Banks (Refer note no 18)	168.16	219.83	-
<b>Secured Cash Credit</b>			
From Banks	1806.76	2459.01	1774.47
<b>Unsecured</b>			
From Banks	-	-	409.84
<b>Total</b>	<b>1974.92</b>	<b>2678.84</b>	<b>2184.31</b>

### Secured :

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

### Unsecured:

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

## 18

(₹ in Lakh)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 01, 2020</b>
(a) Dues to MSME	-	-	-
(b) Dues to Other than MSME	1028.15	64.50	425.14
<b>Total</b>	<b>1028.15</b>	<b>64.50</b>	<b>425.14</b>

### Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

(₹ in Lakh)

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at April 01, 2020</b>
(a) Amount remaining unpaid to any supplier at the end of each accounting year:			
Principal	-	-	-
Interest	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.			
	-	-	-

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-	-

## 19 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Trade and Security Deposits from Customers	-	55.69	34.18
<b>Total</b>	<b>-</b>	<b>55.69</b>	<b>34.18</b>

## 20 Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Other Advances</b>			
Advance from Customers	24.78	269.74	62.37
<b>Others</b>			
Statutory Liabilities	15.84	13.06	22.27
Unpaid Dividend	1.42	0.70	0.28
<b>Total</b>	<b>42.03</b>	<b>283.51</b>	<b>84.92</b>

## 21 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Provision for Employee Benefits			
Provision for Gratuity	7.52	5.38	5.61
Provision for Salary, Bonus & Leave Salary	110.27	61.93	32.48
Provision for Corporate Social Responsibility	-	14.09	-
<b>Total</b>	<b>117.79</b>	<b>81.40</b>	<b>38.08</b>

## 22 Current Tax Liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Tax Payable (Net of Advance Tax & TDS )	307.41	120.36	-
<b>Total</b>	<b>307.41</b>	<b>120.36</b>	<b>-</b>

## 23 Revenue from Operations

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(i) Sales of products</b>		
Home Market (Net of Returns)	39203.60	20252.99
Exports	6325.17	1788.32
	<b>45528.76</b>	<b>22041.31</b>
<b>(ii) Other Operating Revenues</b>		
Sale of Scrap	171.44	114.56
Export Incentives	29.60	12.24
Others	-	3.11
<b>Total</b>	<b>45729.80</b>	<b>22171.22</b>

## Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue as per contracted price	45528.76	22041.31
Less: Discounts	-	-
<b>Revenue from contract with customers</b>	<b>45528.76</b>	<b>22041.31</b>

Effective April 01, 2020 the Company has adopted IND AS 115 "Revenue from Contracts with customers". The effect on adoption of IND AS 115 does not have any material impact on the financial statements of the Company.

## 24 Other Income

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest Income from financial assets at amortised cost</b>		
On bank deposits	5.64	-
Other Interest	0.64	3.02
<b>Other non-operating Income (Net of expenses directly attributable to such income)</b>		
Insurance Claim	0.96	21.52
Miscellaneous income	-	4.03
<b>Other gains and losses</b>		
Net Gain on foreign currency transactions & translation	87.16	8.07
Profit on Sale of Property, Plant & Equipment	1.52	-
<b>Total</b>	<b>95.90</b>	<b>36.65</b>

## 25 Cost of Materials Consumed

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Raw materials</b>		
Opening stock	1971.67	1653.31
Add : Purchases of Raw Material	37824.38	18779.35
Less: Closing stock	2082.30	1971.67
<b>TOTAL</b>	<b>37713.75</b>	<b>18460.99</b>
<b>Total</b>	<b>37713.75</b>	<b>18460.99</b>

## 27 Changes in inventories of finished goods, Stock-in-trade and work-in-progress

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the beginning of the year</b>		
Finished Goods	909.78	439.29
<b>(a)</b>	<b>909.78</b>	<b>439.29</b>
<b>Inventories at the end of the year</b>		
Finished goods	685.21	909.78
<b>(b)</b>	<b>685.21</b>	<b>909.78</b>
<b>Net (Increase)/Decrease in Inventories</b>	<b>(a) -(b)</b>	<b>(470.49)</b>

## 28 Employee Benefits Expense

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and benefits	725.98	683.91
Contribution to provident and other funds	28.88	14.42
Staff welfare expenses	16.75	19.70
<b>Total</b>	<b>771.61</b>	<b>718.03</b>

## 29 Finance Costs

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense		
- Cash credit facilities / buyers' credit	313.24	239.97
- Term Loans from Banks	40.75	2.01
- On Other Loans	8.57	59.20
- Others	37.52	28.81
Other Borrowing Costs	37,52,015	28,81,089
<b>Total</b>	<b>400.09</b>	<b>329.99</b>

## 2 & 3 Depreciation and Amortisation Expense

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant & equipment & Right of Use and Amortisation of Intangible Assets	168.63	214.00
<b>Total</b>	<b>168.63</b>	<b>214.00</b>

## 30 Other Expenses

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of Stock, Stores, Spares, Oil & Lubricant	1459.05	752.95
Power and Fuel	109.62	294.29
Security Charges	13.48	16.16
Calcium Management	2.43	15.97
Freight and handling Charges	895.26	455.26

Brokerage and Commission	51.81	43.16
Advertisement and Sales Promotion Expenses	13.42	1.72
Legal and Professional expenses	51.21	44.11
Travelling & Conveyance	20.39	11.21
Rent Expenses	64.18	8.88
Repairs & Maintenance		
-Others	20.83	28.36
-Machinery	104.27	65.67
Rates, Fees and Taxes	4.99	22.41
Testing and Sampling Charges	12.41	-
Insurance	61.44	23.25
Printing, Stationery and Communication Expenses	8.48	6.40
Corporate Social Responsibility Expenses and Other Donations*	18.43	15.33
Payment to Auditors		
- Statutory Audit Fees	3.50	2.50
- In other Capacity	-	-
For Tax Audit	1.50	1.00
For other matters	-	-
Provision for Doubtful Debts	9.38	5.09
Sundry Balances Written Off	270.14	15.14
Miscellaneous Expenses	32.78	33.76
<b>Total</b>	<b>3229.01</b>	<b>1862.61</b>

\*Note : Corporate Social Responsibility Expenses

#### A

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross Amount Required to be spent by the Company :	16.77	14.31

#### B

(₹ in Lakh)

Amount spent during the year / period on:	Year ended March 31, 2022	Year ended March 31, 2021
i Construction / Acquisition of ant assets	-	-
ii Purpose othar than above	17.42	14.09

#### C

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Related party transactions in relation to Corporate Social Responsibility:	-	-

#### D

(₹ in Lakh)

Provision movement during the year/ Period:	Year ended March 31, 2022	Year ended March 31, 2021
Opening provision	14.09	5.08
Addition during the year / Period	16.77	14.31
Utilised during the year /Period	31.51	5.30
<b>Closing provision</b>	<b>(0.66)</b>	<b>14.09</b>

## 31 Contingent Liabilities

(₹ in Lakh)

Claims against the Company not acknowledged as debts	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Demand Raised By Income Tax Deptt.	10.16	10.16	10.16

## 32 Assets and liabilities relating to Employee Benefits

See accounting policy in Note 1.(o)

For details about the related employee benefit expenses, see Note 28

### A. Defined Contribution Plan:

The Company's defined contribution plans are superannuation, employees state insurance scheme and provident fund administered by Government since the Company has no further obligation beyond making the contributions.

The expenses recognised during the year towards defined contribution plans are as detailed below:

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provident Fund and other Funds	28.88	14.42
<b>Total (included in Note 28 - 'Contribution to provident and other funds')</b>	<b>28.88</b>	<b>14.42</b>

### B. Defined Benefit Obligation:

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972/ Company policy. Employees who are in continuous service for a period of 5 years or more are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employee's last drawn salary per month computed proportionately as per the Payment of Gratuity Act, 1972/ Company policy multiplied for the number of years of service.

The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity		
	31 March 2022	31 March 2021	31 March 2020
<b>Principal actuarial assumptions</b>			
Discount rate	7.18%	6.69%	6.80%
Range of compensation increase	10.00%	10.00%	10.00%
Withdrawal Rate:			
- Younger ages	5.00%	5.00%	5.00%
- Older ages	2.00%	2.00%	2.00%

(₹ in Lakh)

Actuarial study analysis	Gratuity		
	31 March 2022	31 March 2021	31 March 2020
<b>Components of income statement charge</b>			
Current service cost	12.87	12.57	13.14
Interest cost	4.69	4.41	3.13
Recognition of past service cost	-	-	-
Immediate recognition of (gain)/losses	17.56	16.98	16.27
Settlement/curtailment/termination loss	-	-	-
<b>Total charged to statement of profit or loss</b>	<b>17.56</b>	<b>16.98</b>	<b>16.27</b>
<b>Total charged to Retained Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movements in net liability/(asset)</b>			
Net liability at the beginning of the year	70.18	64.85	40.88

Employer contributions	-	-	-
Total expense recognised in the statement of profit or loss	17.56	16.98	16.27
Total expense recognised in the Retained Earnings	-	-	-
Total amount recognised in OCI	(8.11)	(11.66)	7.71
<b>Net liability at the end of the year</b>	<b>79.63</b>	<b>70.18</b>	<b>64.85</b>
<b>Reconciliation of benefit obligations</b>			
Obligation at start of the year	70.18	64.85	40.88
Current service cost	12.87	12.57	13.14
Interest cost	4.69	4.41	3.13
Benefits paid directly by the Group	-	-	-
Actuarial loss	(8.11)	(11.66)	7.71
<b>Defined benefits obligations at the end of the year</b>	<b>79.63</b>	<b>70.18</b>	<b>64.85</b>
<b>Re-measurements of defined benefit plans</b>			
Actuarial gain/(loss) due to changes in demographic assumptions	-	-	0.03
Actuarial gain/(loss) due to changes in financial assumptions	(5.54)	1.05	6.74
Actuarial gain/(loss) on account of experience adjustments	(2.57)	(12.71)	0.94
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(8.11)</b>	<b>(11.66)</b>	<b>7.71</b>
<b>Total actuarial gain/(loss) recognised in Statement of profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>

### C. Sensitivity analysis of significant assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(₹ in Lakh)

Sensitivity of DBO, Service Cost, and P&L Account	Gratuity					
	31 March 2022		31 March 2021		31 March 2020	
	% increase in DBO	Liability	% increase in DBO	Liability	% increase in DBO	Liability
<b>Discount rate</b>						
+ 0.5% discount rate	(6.52)%	74.44	(6.56)%	65.57	(6.44)%	60.67
- 0.5% discount rate	7.22%	85.38	7.29%	75.29	7.17%	69.41
<b>Salary increase</b>						
+ 0.5% salary growth	5.93%	84.35	6.44%	74.69	6.39%	65.27
+ 0.5% salary growth	(5.47)%	75.28	(5.90)%	66.04	5.91%	61.02
<b>Withdrawal rate</b>						
+ 0.5% salary growth						
- 0.5% salary growth						

**Note:**

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors as supply and demand in the employment market.

**33 Related party disclosures as per Ind AS 24****1 Related parties with whom transactions have taken place during the year and its relationship:**

Name of the related parties	Designation / Relationship
Shri Anoop Kumar Bansal	Key Management Personnel
Shri Manoj Kumar Bansal	Key Management Personnel
Shri Kishore Kumar Bansal	Key Management Personnel
Shri Sanjay C. Shah	Key Management Personnel
Shri Mayur Bhatt	Key Management Personnel
Shri Sunil Kumar Agarwal	Key Management Personnel
Shri Anirudh Singhal	Key Management Personnel
Itika Singhal	Key Management Personnel
Sunil Dutt Bhatt	Key Management Personnel
Dwadasi Venkata Giri	Key Management Personnel
Rama Kohli	Key Management Personnel
Pratik Jain	Key Management Personnel
Shri Gaurav Agarwal	Relative Key Management Personnel
Shri Samarth Bansal	Relative Key Management Personnel
Shri Sarthak Bansal	Relative Key Management Personnel
Sakshi Bansal	Relative Key Management Personnel
Shri Sagar Shah	Relative Key Management Personnel
Shalini Shah	Relative Key Management Personnel
Shreya Agarwal	Relative Key Management Personnel
Jaya Bhatt	Relative Key Management Personnel
Bansal Brothers (Trading Div.)	
Bansal Brothers (Fad)	Enterprises Over Which Significant Influence

**2 Transactions during the year**

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Remuneration</b>			
Shri Anoop Kumar Bansal	42.00	30.00	42.00
Shri Sanjay C. Shah	42.00	28.00	39.00
Shri Mayur Bhatt	14.00	6.50	6.50
Shri Sunil Kumar Agarwal	-	-	1.00
<b>Factory Shed &amp; Building</b>			
Bansal Brothers (Trading Div.)	2.11	2.54	10.48
<b>Plant &amp; Machinery</b>			
Bansal Brothers (Trading Div.)	0.25	0.12	1.65
<b>President Salary</b>			
Shri Manoj Kumar Bansal	42.00	24.00	36.00



<b>Professional Fees</b>			
Shri Sunil Kumar Agarwal	-	3.50	-
Ms Itika Singhal	3.60	-	-
<b>Sales</b>			
Bansal Brothers (Trading Div.)	2553.65	1215.79	2294.23
Bansal Brothers (FAD)	447.25	45.18	314.88
<b>Purchase Raw Material</b>			
Bansal Brothers (FAD)	2600.91	829.56	475.13
Bansal Brothers (Trading Div.)	-	67.87	1199.22
<b>Purchase of Cons. / Packing Goods</b>			
Bansal Brothers (Trading Div.)	4.72	1.94	3.36
Bansal Brothers (FAD.)	2.18	-	-
<b>Repair &amp; Maint.Factory Shed &amp; Building</b>			
Bansal Brothers (Trading Div.)	0.61	0.60	1.27
<b>Repair &amp; Maint.Machine</b>			
Bansal Brothers (Trading Div.)	1.14	-	-
<b>Sale of Fixed Asset &amp; Consumables</b>			
Bansal Brothers (FAD)	330.36	-	-
<b>Staff Salary</b>			
Shri Gaurav Agarwal	42.00	32.50	32.50
Shri Anirudh Singhal	17.40	6.50	10.85
Itika Singhal	1.75	4.35	-
Shri Samarth Bansal	35.00	20.00	26.00
Shri Sarthak Bansal	35.00	20.00	26.00
Shri Sagar Shah	14.00	6.50	6.50
Shalini Shah	7.80	7.20	-
Shreya Agarwal	3.67	1.69	1.69
Jaya Bhatt	8.40	6.50	6.50
Sakshi Bansal	-	-	2.25
Mr. Pratik Jain	3.36	-	-
<b>Interest on Unsecured Loan</b>			
Shri Anoop Kumar Bansal	-	-	10.07
Shri Kishore Kumar Bansal	-	-	9.07
<b>Other Exps</b>			
Bansal Brothers (Trading Div.)	-	-	0.83
Shri Sunil Kumar Agarwal	0.40	-	-
Shri Dwadasi Venkata Giri	0.40	-	-
Shri Sunil Dutt Bhatt	0.40	-	-
Ms Rama Kohli	0.20	-	-
	<b>6256.56</b>	<b>2360.85</b>	<b>4556.97</b>

### 3 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. No balances in respect of the related parties has been provided for written off / written back, except what is stated above.

Related party relationship is as identified by the management and relied upon by the auditors.

### 34 Financial instruments

The details of significant accounting policies, including criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

#### A Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values of financial instruments:

- i The fair value of the long-term borrowings carrying floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company (since the date of inception of the loans).
- ii Cash and cash equivalents, trade receivables, investments in term deposits, other financial assets, trade payables, and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

#### Financial Assets and Liabilities

The accounting classification of each category of financial instruments, and their carrying amounts are set out as below:  
a. Financial Assets

(₹ in Lakh)

Particulars	Instruments carried at fair value			Instruments carried at amortized cost*	Total Fair Value	Total Carrying Value
	FVOCI (Equity instruments)	FVOCI (Other instruments)	FVTPL			
<b>As at April 01, 2020</b>						
(i) Investments	75.00	-	-	-	75.00	75.00
(ii) Other financial assets	-	-	-	279.15	279.15	279.15
(iii) Trade receivables	-	-	-	2806.06	2806.06	2806.06
(iv) Cash and cash equivalents	-	-	-	121.64	121.64	121.64
(v) Other Balances with Banks	-	-	-	6.83	6.83	6.83
<b>Total</b>	<b>75.00</b>	<b>-</b>	<b>-</b>	<b>3213.67</b>	<b>3288.67</b>	<b>3288.67</b>
<b>As at March 31, 2021</b>						
(i) Investments	75.00	-	-	-	75.00	75.00
(ii) Other financial assets	-	-	-	112.56	112.56	112.56
(iii) Trade receivables	-	-	-	3818.31	3818.31	3818.31
(iv) Cash and cash equivalents	-	-	-	183.65	183.65	183.65
(v) Other Balances with Banks	-	-	-	161.87	161.87	161.87
<b>Total</b>	<b>75.00</b>	<b>-</b>	<b>-</b>	<b>4276.39</b>	<b>4351.39</b>	<b>4351.39</b>
<b>As at March 31, 2022</b>						
(i) Investments	75.00	-	-	-	75.00	75.00
(ii) Other financial assets	-	-	-	169.54	169.54	169.54
(iii) Trade receivables	-	-	-	5684.00	5684.00	5684.00

(iv) Cash and cash equivalents	-	-	-	647.48	647.48	647.48
(v) Other Balances with Banks	-	-	-	129.07	129.07	129.07
<b>Total</b>	<b>75.00</b>	-	-	<b>6630.09</b>	<b>6705.09</b>	<b>6705.09</b>

## b. Financial Liabilities

(₹ in Lakh)

Particulars	Fair value through profit & loss	At amortized cost*	Total carrying amount	Total Fair Value
<b>As at April 01, 2020</b>				
(i) Borrowings	-	2345.70	2345.70	2345.70
(ii) Other Financial Liabilities	-	34.18	34.18	34.18
(ii) Trade Payables	-	425.14	425.14	425.14
<b>Total</b>	-	<b>2805.02</b>	<b>2805.02</b>	<b>2805.02</b>
<b>As at March 31, 2021</b>				
(i) Borrowings	-	3120.14	3120.14	3120.14
(ii) Other Financial Liabilities	-	55.69	55.69	55.69
(ii) Trade payables	-	64.50	64.50	64.50
<b>Total</b>	-	<b>3240.34</b>	<b>3240.34</b>	<b>3240.34</b>
<b>As at March 31, 2022</b>				
(i) Borrowings	-	2233.08	2233.08	2233.08
(ii) Other financial liabilities	-	-	-	-
(ii) Trade payables	-	1028.15	1028.15	1028.15
<b>Total</b>	-	<b>3261.23</b>	<b>3261.23</b>	<b>3261.23</b>

\*The carrying value and fair value approximation, if any.

## c. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The categories used are as follows

- Level 1: It includes financial instruments measured using quoted prices and the mutual funds are measured using the closing Net Asset Value (NAV).
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2022, March 31, 2021 and April 01, 2020 measured at fair value:

(₹ in Lakh)

As at April 01, 2020	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value</b>				
Investments in Unquoted Equity Shares	-	-	75.00	75.00
<b>As at March 31, 2021</b>				
<b>Financial Assets at Fair Value</b>				
Investments in Unquoted Equity Shares	-	-	75.00	75.00

(₹ in Lakh)

(₹ in Lakh)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Assets at Fair Value</b>				
Investments in Unquoted Equity Shares	-	-	75.00	75.00

### 35 Segment Reporting

The Managing Director is identified as Chief Operating Decision Maker of the Company. He is responsible for allocating resources and assessing the performance of the operating segments. Accordingly, "Cored Wire" has been determined as the operating Segment.

Thus the segment revenue, interest revenue, interest expense, depreciation and amortisation, segment assets and segment liabilities are all as reflected in the Financial Statement as at and for the year ended March 31, 2020.

### Geographical Information

(₹ in Lakh)

a. Revenue from external customers	Year ended March 31, 2022	Year ended March 31, 2021
Attributed to the Company's country of domicile, India	39203.60	20252.99
Attributed to all foreign countries	6325.17	1788.32
<b>Total</b>	<b>45528.76</b>	<b>22041.31</b>
<b>b. Revenues from transactions with a customers exceeding 10% of the Company's sales in current as well as previous year.</b>	<b>23476.92</b>	<b>3174.29</b>

(₹ in Lakh)

c. Non-current assets (excluding Deferred/ Current Tax and Financial Assets)	As at September 30, 2021	As at March 31, 2021	As at April 01, 2020
Located in the Company's country of domicile, India	1132.55	1377.08	1452.47
Located in all foreign countries	-	-	-
<b>Total</b>	<b>1132.55</b>	<b>1377.08</b>	<b>1452.47</b>

### 36 Income tax

This note provides an analysis of the group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(i) Tax expense recognised in the statement of profit and loss</b>		
Current Tax on profits for the year	845.42	285.00
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expense</b>	<b>845.42</b>	<b>285.00</b>
Deferred Tax charge/ (credit) P&L	(8.87)	(4.12)
(Decrease) increase in deferred tax liabilities	-	-
<b>Total Deferred Tax Expense</b>	<b>(8.87)</b>	<b>(4.12)</b>
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>836.55</b>	<b>280.88</b>
<b>(ii) Tax expense recognised in OCI</b>		
<b>Deferred Tax:</b>		
Deferred Tax expense on Remeasurement of defined benefit plans	(2.04)	(2.93)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>(2.04)</b>	<b>(2.93)</b>

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Enacted income tax rate in India applicable to the Company (in %)	25.17%	25.17%
Profit/ (Loss) before income tax expense	3318.05	1078.23
<b>Current tax expense on Profit/ (loss) before tax expenses at enacted income tax rate in India</b>	<b>835.09</b>	<b>271.37</b>
<b>Tax effects of :</b>		
Tax effect on non-deductible expenses	0.35	5.20
Effect of Income which is taxed at special rates	(0.38)	-
Effect of Income that is exempted from tax	-	-
Effect of difference in WDV of Assets	10.04	8.11
Other items	(8.55)	(3.79)
<b>Total</b>		
<b>Income tax expense</b>	<b>836.55</b>	<b>280.88</b>

Consequent to reconciliation items shown above, the effective tax rate is 25.21% (Previous year : 26.05% ).

#### The details of Income tax Assets / Liabilities are as follows:-

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax (Net of Provision for Tax)	31.40	31.40
Tax Payable (Net of Advance Tax & TDS )	307.41	120.36
<b>Net Income Tax Liability at the end of the year</b>	<b>276.00</b>	<b>88.95</b>

### 37 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

#### i Profit attributable to Equity holders of Company

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit attributable to equity share holders of the Company for basic and diluted earnings per share	2748.11	799.42

#### ii Weighted average number of ordinary shares

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares outstanding as at year end	136.90	136.90
Weighted average number of shares as at year end for basic earnings per shares	136.90	136.90
Weighted average number of shares as at year end for diluted earnings per shares	136.90	136.90
<b>Basic earnings per share</b>	<b>20.07</b>	<b>5.84</b>
<b>Diluted earnings per share</b>	<b>20.07</b>	<b>5.84</b>

(\*not annualised)

### 38 Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The Company has exposure to the following risks arising from financial instruments:

- a. Credit risk;
- b. Liquidity risk;
- c. Market risk; and
- d. Interest rate risk

#### (A) Credit risk

Credit risk arises from the possibility that the value of receivables or other financial assets of the Company may be impaired because counterparties cannot meet their payment or other performance obligations.

To manage credit risks from trade receivables other than Related Party, the credit managers from Order to Cash department of the Company regularly analyse customer's receivables, overdue and payment behaviors. Some of these receivables are collateralised and the same is used according to conditions. These could include advance payments, security deposits, post-dated cheques etc. Credit limits for this trade receivables are evaluated and set in line with Company's internal guidelines. There is no significant concentration of default risk.

Credit risks from financial transactions are managed independently by Finance department. For banks and financial institutions, the Company has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high quality banks and financial institutions. The Company had no other financial instrument that represents a significant concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of

initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit & loss.

Credit risk is managed at Company level.

For other financial assets, the Company assesses and manages credit risk based on internal control and credit management system. The finance function consists of a separate team who assess and maintain an internal credit management system. Internal credit control and management is performed on a Company basis for each class of financial instruments with different characteristics.

The Company considers whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) are also considered as part of the internal credit management system.

A default on a financial asset is when the counterparty fails to make payments as per contract. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, no additional provision has been considered necessary in respect of trade receivables more than 90 days for the March 31, 2022, since the management has taken suitable measures to recover the said dues and is hopeful of recovery in due course of time.

### Ageing of account receivables at Gross Level: Undisputed Trade receivables -considered good

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
0-6 months	5566.10	3593.16	2531.75
6 Months to 1 Year	98.69	1.30	255.15
1-2 Year	47.77	212.83	3.64
2-3 Year	-	3.46	2.50
More than 3 Years	-	26.74	27.11
<b>Total</b>	<b>5712.56</b>	<b>3837.50</b>	<b>2820.16</b>

### Reconciliation of loss allowance - Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Opening balance	19.19	14.10	-
Allowance made during the year	9.38	5.09	14.10
<b>Closing balance</b>	<b>28.56</b>	<b>19.19</b>	<b>14.10</b>

"The Company maintains exposure in cash and cash equivalents, deposits with banks, investments, and other financial assets. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/ recoverable values.

### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Due to the dynamic nature of underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecast of Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### (i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

All non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. (₹ in Lakh)

Particulars	As at March 31, 2022			As at March 31, 2021			As at April 01, 2020		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
<b>Non-derivative financial liabilities</b>									
Term Loans	426.31	168.16	258.15	661.14	219.83	441.31	161.39	161.39	-
Short Term Borrowings	1806.76	1806.76	0.00	2459.01	2459.01	0.00	2184.31	2184.31	-

Trade and Other Payables	1028.15	1028.15	-	64.50	64.50	-	425.14	425.14	-
Other Financial Liabilities	-	-	-	55.69	55.69	-	34.18	34.18	-
Other Current Liabilities	42.03	42.03	-	283.51	283.51	-	84.92	84.92	-

### Ageing of trade payables at Gross Level:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
0-6 months	1015.98	51.69	424.17
6 Months to 1 Year	-	0.02	0.35
1-2 Year	-	12.17	0.62
2-3 Year	12.17	0.62	-
More than 3 Years	-	-	-
<b>Total</b>	<b>1028.15</b>	<b>64.50</b>	<b>425.14</b>

### (C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

#### (i) Foreign Currency Risk

Foreign currency opportunities and risks for the Company result from changes in exchange rates and the related changes in the value of financial instruments (including receivables and payables) in the functional currency (INR). The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to US Dollar(USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks.

#### Exposure to currency risk

The currency profile of financial assets and financial liabilities are as below:

(₹ in Lakh)

Particulars	As at March 31, 2022			As at March 31, 2021			As at April 01, 2020		
	INR	EURO (in Rupees)	USD (in Rupees)	INR	EURO (in Rupees)	USD (in Rupees)	INR	EURO (in Rupees)	USD (in Rupees)
<b>Financial Assets</b>									
Trade Receivables	3675.49		2037.07	2877.92	85.63	873.94	2466.75		353.41
<b>Total</b>	<b>3675.49</b>	<b>-</b>	<b>2037.07</b>	<b>2877.92</b>	<b>85.63</b>	<b>873.94</b>	<b>2466.75</b>	<b>-</b>	<b>353.41</b>
<b>Financial Liabilities</b>									
Trade payables	1015.98		12.17	52.33		12.17	387.25		37.90
<b>Total</b>	<b>1015.98</b>	<b>-</b>	<b>12.17</b>	<b>52.33</b>	<b>-</b>	<b>12.17</b>	<b>387.25</b>	<b>-</b>	<b>37.90</b>



The following significant exchange rates have been applied during the year.

(₹ in Lakh)

Currency	Year-end Spot rate		
	31 March 2022	31 March 2021	31 March 2020
USD	74.54	71.82	71.96
EURO	-	86.10	-

### Sensitivity analysis

The following table details the Company's sensitivity to a 25 basis points increase and decrease in the Rupee against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.25% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

(₹ in Lakh)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021		As at April 01, 2020	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
USD	506225.9891	(506225.9891)	215442.9562	(215442.9562)	78878.71615	(78878.71615)
EURO	-	-	21408.68753	(21408.68753)	-	-

### (D) Cash flow and fair value interest rate risk

#### - Interest rate risk management:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's approach to managing interest rate risk is to have a judicious mix of borrowed funds with fixed and floating interest rate obligation. Moreover, the short-term borrowings of the Company do not have a significant fair value or cash flow interest rate risk due to their short tenure.

The Company is also exposed to interest rate risk on its financial assets that includes fixed deposits, since the same are generally for short duration, the Company believes it has manageable risk and achieving satisfactory returns. The Company also has long - term fixed interest bearing assets. However the Company has in place an effective system to manage risk and maximise return.

#### - Interest rate risk exposure:

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
<b>Fixed-rate instruments</b>			
Financial assets	127.62	161.23	6.43
Financial liabilities	426.31	661.14	161.39
<b>Variable-rate instruments</b>			
Financial assets	-	-	-
Financial liabilities	1806.76	2459.01	2184.31
<b>Total</b>	<b>2360.69</b>	<b>3281.37</b>	<b>2352.13</b>

### - Interest rate sensitivity

#### Interest rate sensitivity

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

#### (iii) Price Risk

The Company's exposure to price risk arises from investment in mutual funds and classified in the balance sheet as fair value through profit and loss. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However, due to very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

#### (E) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

## 39 Capital management

### (a) Risk management

The Company's objectives when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

Particulars	₹ in Lakh)		
	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Net debt ( Total Debt - Cash & cash equivalent - Other Bank Balances - Current Investment)	1456.52	2774.62	2217.23
<b>Total equity</b>	<b>7793.69</b>	<b>5310.29</b>	<b>4588.04</b>
<b>Net debt to equity ratio</b>	<b>18.69%</b>	<b>52.25%</b>	<b>48.33%</b>

## 40 First-time adoption of Ind AS

The Company has prepared financial statements for the year ended March 31, 2022, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2020, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2022, together with comparative information as at and for the year ended March 31, 2021, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 01, 2020 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustments made by the Company

in restating its Previous GAAP financial statements, including the Balance Sheet as at April 01, 2020, and the financial statements as at and for the year ended March 31, 2021.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

### A. Optional Exemptions

#### (i) Deemed Cost

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of April 01, 2020 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(ii) Leases**

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

**B. Applicable Mandatory Exceptions****(i) Estimates**

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that are required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**(ii) Derecognition of financial assets and financial liabilities**

Derecognition of financial assets and liabilities as required by Ind AS 109 is applied prospectively i.e. after the transition date.

**(iii) Classification and Measurement of Financial Assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**(iv) Impairment of financial assets**

The Company has applied exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk at April 01, 2020.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) Reconciliation of Balance sheet as at April 01, 2020 (Transition Date)
- (ii) A. Reconciliation of Balance sheet as at March 31, 2021  
B. Reconciliation of Statement of total Comprehensive Income for the year ended March 31, 2021
- (iii) Reconciliation of Equity as at April 01, 2020 and March 31, 2021
- (iv) Adjustments to Statement of Cash Flows

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

**I. Reconciliation of Balance sheet as at April 01, 2020**

(₹ in Lakh)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1445.31	-	1445.31
Intangible Assets	7.16	-	7.16
Intangible Assets under development	-	-	-
Financial Assets	-	-	-
Investments	75.00	-	75.00
Other Financial Assets	279.15	-	279.15
Other Non-current assets	3.50	-	3.50
<b>Total Non current assets</b>	<b>1810.12</b>	<b>-</b>	<b>1810.12</b>
<b>Current Assets</b>			
Inventories	-	-	2193.38
Financial Assets	-	-	-
Trade Receivables	2820.16	(14.10)	2806.06
Cash and Cash Equivalents	121.64	-	121.64
Other Balances with Banks	6.83	-	6.83
Other Current Assets	674.19	-	674.19
<b>Total Current Assets</b>	<b>5816.19</b>	<b>(14.10)</b>	<b>5802.09</b>

<b>Total Assets</b>	<b>7626.31</b>	<b>(14.10)</b>	<b>7612.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	1368.98	-	1368.98
Other Equity	3247.88	(28.81)	3219.07
<b>Total Equity</b>	<b>4616.86</b>	<b>(28.81)</b>	<b>4588.04</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	161.39	-	161.39
Provisions	59.25		59.25
Deferred Tax Liabilities (Net)	17.10	14.71	31.81
<b>Total Non Current Liabilities</b>	<b>237.74</b>	<b>14.71</b>	<b>252.45</b>
<b>Current Liabilities</b>			
Financial liabilities			
Borrowings	2184.31	-	2184.31
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	425.14	-	425.14
Other Financial Liabilities	34.18	-	34.18
Other Current Liabilities	84.92	-	84.92
Provisions	43.16	-	43.16
Current Tax Liabilities (Net)	-	-	-
<b>Total Current Liabilities</b>	<b>2771.72</b>	<b>-</b>	<b>2771.72</b>
<b>Total Liabilities</b>	<b>3009.45</b>	<b>14.71</b>	<b>3024.17</b>
	<b>7626.31</b>	<b>(14.10)</b>	<b>7612.21</b>

## II. A Reconciliation of Balance sheet as at March 31, 2021

(₹ in Lakh)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1364.95	-	1364.95
Capital work-in-progress	7.78	-	7.78
Intangible Assets	4.35	-	4.35
Intangible Assets under development	-	-	-
Financial Assets			
Investments	75.00	-	75.00
Other Financial Assets	112.56	-	112.56
Other Non-current assets	-	-	-
<b>Total Non current assets</b>	<b>1564.64</b>	<b>-</b>	<b>1564.64</b>
<b>Current Assets</b>			
Inventories		-	2976.43
Financial Assets			
Trade Receivables	3837.50	(19.19)	3818.31

Cash and Cash Equivalents	183.65	-	183.65
Other Balances with Banks	161.87	-	161.87
Other Current Assets	420.55	-	420.55
<b>Total Current Assets</b>	<b>7580.00</b>	<b>(19.19)</b>	<b>7560.81</b>
<b>Total Assets</b>	<b>9144.64</b>	<b>(19.19)</b>	<b>9125.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	1368.98	-	1368.98
Other Equity	3976.27	(34.95)	3941.31
<b>Total Equity</b>	<b>5345.24</b>	<b>(34.95)</b>	<b>5310.29</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	441.31	0.00	441.31
Provisions	64.79	-	64.79
Deferred Tax Liabilities (Net)	8.99	15.77	24.76
<b>Total Non Current Liabilities</b>	<b>515.09</b>	<b>15.77</b>	<b>530.86</b>
<b>Current Liabilities</b>			
Financial liabilities			
Borrowings	2678.84	-	2678.84
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	64.50	-	64.50
Other Financial Liabilities	55.69	-	55.69
Other Current Liabilities	283.51	-	283.51
Provisions	81.40	-	81.40
Current Tax Liabilities (Net)	120.36	-	120.36
<b>Total Current Liabilities</b>	<b>3284.30</b>	<b>-</b>	<b>3284.30</b>
<b>Total Liabilities</b>	<b>3799.39</b>	<b>15.77</b>	<b>3815.16</b>
	<b>9144.64</b>	<b>(19.19)</b>	<b>9125.45</b>

## II.B. Reconciliation of Statement of Profit and Loss for the year ended March 2021

(₹ in Lakh)

Particulars	Regrouped Previous GAAP	Ind AS adjustments	Ind AS
Revenue from Operations	22171.22	-	22171.22
Other Income	36.65	-	36.65
<b>Total Income (I)</b>	<b>22207.87</b>	<b>-</b>	<b>22207.87</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18460.99	-	18460.99
Purchases of Stock-in-Trade	14.52	-	14.52
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	(470.49)	-	(470.49)
Employee Benefits Expense	729.69	(11.66)	718.03
Finance Costs	329.99	-	329.99

Depreciation and Amortisation Expense	214.00	-	214.00
Other Expenses	1857.52	5.09	1862.61
<b>Total Expenses (II)</b>	<b>21136.22</b>	<b>(6.57)</b>	<b>21129.65</b>
Profit Before exceptional and extraordinary items and tax (I-II)	1071.66	6.57	1078.23
<b>Tax Expense</b>			
(1) Current Tax	285.00	-	285.00
(3) Current taxes relating to earlier years	2.07	-	2.07
(2) Deferred Tax	(8.11)	3.99	(4.12)
<b>Profit for the period</b>	<b>792.69</b>	<b>2.58</b>	<b>799.42</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	(11.66)	(11.66)
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	-	(2.93)	(2.93)
<b>Total Other comprehensive income (Net of Tax)</b>	<b>-</b>	<b>(8.72)</b>	<b>(8.72)</b>
<b>Total Comprehensive income for the Year</b>	<b>792.69</b>	<b>(6.14)</b>	<b>790.69</b>

### III Reconciliation of Equity

(₹ in Lakh)

Particulars	Note	As at March 31, 2021	As at April 01, 2020
<b>Total equity under local GAAP</b>		<b>5345.24</b>	<b>4616.86</b>
<b>Adjustments impact: Gain/ (Loss)</b>			
Provision for expected credit loss	A	(19.19)	(14.10)
Deferred tax Impact	B	(15.77)	(14.71)
<b>Total IND AS adjustment</b>		<b>(34.95)</b>	<b>(28.81)</b>
<b>Total equity under Ind AS</b>		<b>5310.29</b>	<b>4588.04</b>

### III B Reconciliation of Total Comprehensive Income

(₹ in Lakh)

Particulars	Note	Year ended 31st March, 2021
<b>Profit after tax under local GAAP</b>		<b>796.83</b>
<b>Adjustments Gain/ (Loss)</b>		
Provision for Gratuity	C	11.66
Provision for expected credit loss	A	(5.09)
Deferred tax Impact		(3.99)
<b>Total Adjustments</b>		<b>2.58</b>
<b>Profit after tax as per Ind-AS</b>		<b>799.42</b>
Other comprehensive income (net of taxes)	D	8.72
<b>Total comprehensive income as per Ind AS</b>		<b>790.69</b>

IV On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2022.

### V Notes to reconciliations:

#### A Trade receivables

Under Previous GAAP, the Company had recognised provision on trade receivables based on the expectation of the Company. Under Ind AS, the Company provides loss allowance on receivables based on the Expected Credit Loss

(ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

## B Deferred Tax

Under Previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Pursuant to Ind AS requirements, credit for Minimum Alternate Tax (MAT) is reclassified as deferred tax assets. Under I-GAAP the same was presented as part of taxes paid.

## C Remeasurement of defined benefit liabilities

Under previous GAAP, the Company recognised remeasurement of defined benefit plans under Statement of Profit or Loss. Under Ind AS, remeasurement of defined benefit plans are recognised in Other Comprehensive Income.

## D Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in the year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income or expense that are not recognised in the Statement of Profit and Loss but are shown in statement of profit and loss as "Other Comprehensive Income" includes remeasurement of defined benefit plans. The concept of Other Comprehensive Income did not exist under previous GAAP.

## 41 Other financial information - ratios

The accounting ratios required derived from the Restated Financial Information under clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in Lakh)

Sr. No.	Particulars	Note reference	March 31, 2022	March 31, 2021	% variance	Explanation for change in ratio for more than 25%
1	Current Ratio	a	2.95	2.30	28.06%	Increased because of Decrease in Short Term Borrowings.
2	Debt – Equity Ratio	b	0.29	0.59	-51.24%	Reduced because of Decrease in Borrowings.
3	Debt Service Coverage Ratio	c	9.96	4.27	133.39%	Increased because of Increase in Profitability.
4	Return on Equity (ROE):	d	41.94%	16.15%	159.67%	Increased because of Increase in Profitability.
5	Inventory Turnover (no. of days)	e	23.11	42.55	-45.70%	Reduced because of decrease in Inventory Holding Period.
6	Trade receivables turnover ratio (no. of days)	f	37.92	54.53	-30.45%	Reduced because of timely reliazations.
7	Trade payables turnover ratio (no. of days)	g	5.08	4.58	11.04%	NA
8	Net profit ratio	h	6.01%	3.61%	66.67%	Increased because of Increase in Profitability.
9	Net capital turnover ratio (No.of days)	i	44.05	60.15	26.77%	Reduced because of Increase in Profitability.

10	Return on capital employed (ROCE)	j	39.70%	16.71%	-137.53%	Increased because of Increase in Profitability.
11	Return on investment (ROI)	k	0.00%	0.00%	0.00%	NA

**Note :**

- a Current ratio (in times) : Current Assets / Current liabilities
- b Debt - Equity ratio : Total Debt divided by Equity
- c Debt Service Coverage Ratio (DSCR) (no. of times) : Profit before interest, divided by Interest expense (net of moratorium interest, interest cost on unwinding (long term unsecured loans) and amortisation of transaction cost) .
- d ROE : Net Profits after taxes – Preference Dividend (if any) / Average Shareholder's Equity.
- e Inventory Turnover: Average Inventory/Sale of Products in days.
- f Trade Receivables turnover : Average Trade receivables/Turnover in Days.
- g Trade Payable turnover = Average Trade Payables/Cost of goods Purchased in days.
- h Net profit (in %) : profit after tax / Revenue from operation.
- i Net capital turnover ratio = (Average working capital/Turnover in days).
- j ROCE : Earning before interest and taxes / Capital Employed (Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability).
- K Return on investment (ROI) : (Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments).

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

Sd/-  
**(Nikhilesh Begani)**  
Partner  
M.No. 110603  
UDIN:22110603AITPKJ2455

**Place:** Raipur (C.G.)  
**Date:** May 11, 2022

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

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

Sd/-  
**(ANIRUDH SINGHAL)**  
Chief Financial Officer  
PAN - BELPS2753A

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

Sd/-  
**(PRATIK JAIN)**  
COMPANY SECRETARY  
PAN - AUMPJ3071G



# Attendance Slip

27<sup>th</sup> Annual General Meeting

<b>Name of the Company</b>	:	<b>Sarthak Metals Limited</b>
<b>Registered Address</b>	:	B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh - 490011
<b>CIN</b>	:	L51102CT1995PLC009772
<b>Email</b>	:	<a href="mailto:cs@sarthakmetals.com">cs@sarthakmetals.com</a>
<b>Telephone</b>	:	+91-9303773708
<b>Website</b>	:	<a href="http://www.sarthakmetals.com">www.sarthakmetals.com</a>

<b>Name (In Block Letters)</b>	:	
<b>Address</b>	:	
<b>Registered Folio No./DP ID Client ID No.</b>	:	
<b>Member / Proxy / Authorised Representative</b>	:	
<b>No. of Shares held</b>	:	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the company.

I/we hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of the Company being held on Monday, September 05, 2022 at 11:00 A.M. at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011.

Signature of Member/Proxy/Authorised Representative

## Note(s):

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the meeting venue.
2. Only shareholders of the company and/or their Proxy will be allowed to attend the Meeting.

## Form No. MGT-11

### Proxy form

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

<b>CIN</b>	:	L51102CT1995PLC009772
<b>Name of the Company</b>	:	Sarthak Metals Limited
<b>Registered Office</b>	:	B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh - 490011

<b>Name of the Member(s)</b>	:	
<b>Registered Address</b>	:	
<b>Email ID</b>	:	
<b>Folio No. / Client ID</b>	:	
<b>DP ID</b>	:	

I/ We, being the member (s) of **Sarthak Metals Limited** holding \_\_\_\_\_ shares, hereby appoint:

(1)

<b>Name</b>	:	
<b>Address</b>	:	
<b>Email ID</b>	:	
<b>Signature</b>	:	

or failing him

(2)

<b>Name</b>	:	
<b>Address</b>	:	
<b>Email ID</b>	:	
<b>Signature</b>	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at \_\_\_\_\_ Affix Revenue Stamp  
27<sup>th</sup>Annual General Meeting of members of the Company, to be held on Monday,  
September 05, 2022 at the registered office of the Company, B.B.C. Colony, Khursipar,  
G.E. Road, Bhilai, Chhattisgarh-490011 at 11:00 A.M. and at any adjournment thereof in  
respect of such resolutions as are indicated below:

<b>S. No.</b>	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
<b>ORDINARY BUSINESS</b>			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 with all annexure and attachments thereto including the Auditor's Report and the Directors' Report.		
2.	To declare a final dividend of ₹ 01/- (Rupee One Only) per equity share for the Financial Year ended March 31, 2022.		
3.	To appoint a director in place of Mr. Mayur Bhatt (DIN:07586457), who retires by rotation and being eligible, offers himself for reappointment.		
4.	Re-appointment of M/s Begani and Begani, Chartered Accountants (FRN: 010779C), as Statutory Auditors of the Company.		

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**SPECIAL BUSINESS**

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5. To approve Material Related Party Transactions of the Company with M/s Bansal Brothers.
  6. Ratification of remuneration payable to Cost Auditors.
  7. To approve and fix the remuneration of the Mr. Anoop Kumar Bansal (DIN: 01661844), Managing Director of the Company.
  8. To approve and fix the remuneration of the Mr. Sanjay Chamanlal Shah (DIN: 00350967), Whole- Time Director of the Company.
  9. To approve and fix the remuneration of the Mr. Mayur Bhatt (DIN: 07586457), Whole- Time Director and CEO of the Company.
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Signed this..... day of ..... 2022

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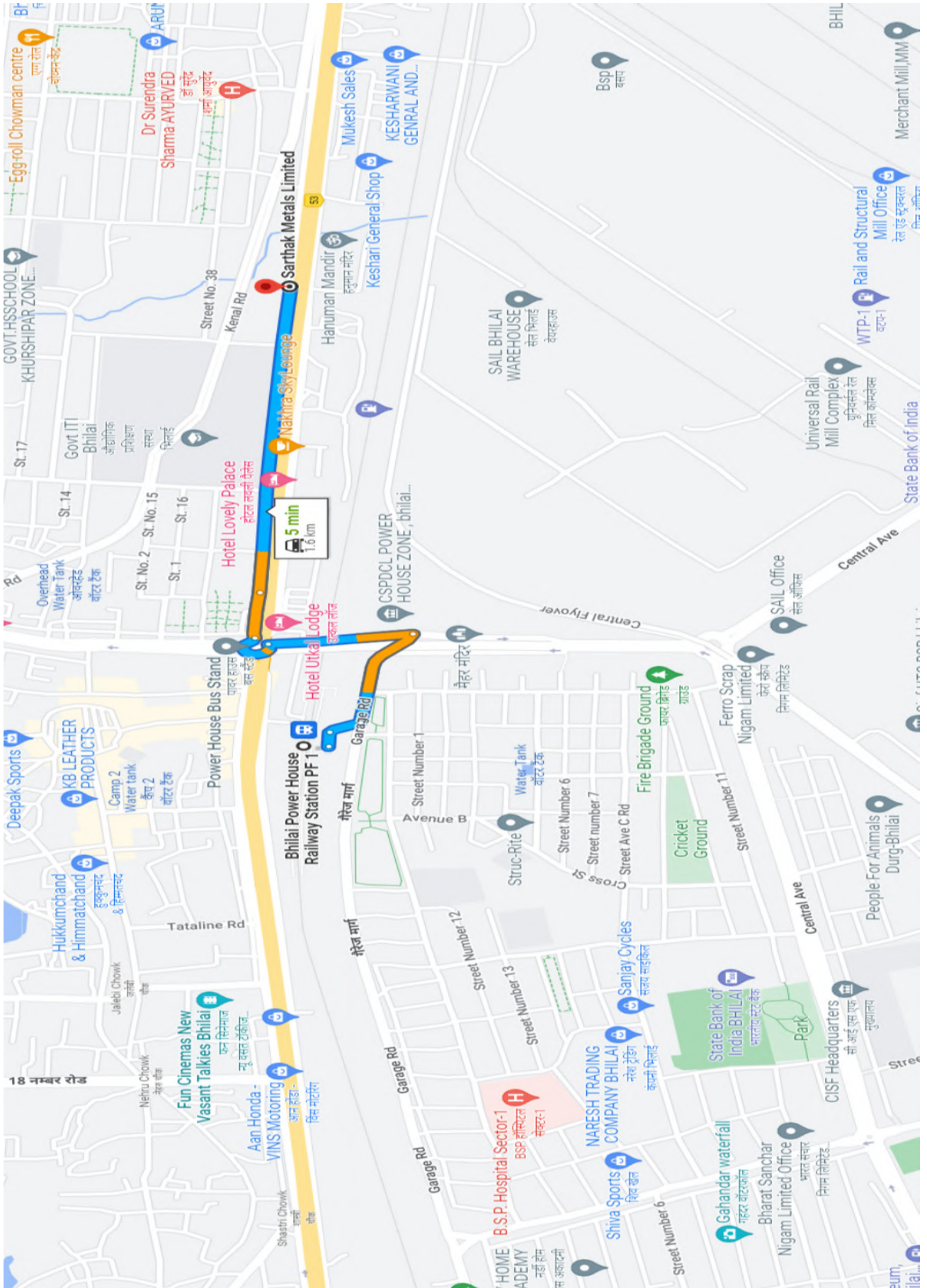
Signature of Shareholder

\_\_\_\_\_

Signature of Proxy holder(s)

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

# Map of Venue





An entity part of the D B Group



## Sarthak Metals Limited

Registered Office Address  
BBC Colony, G.E Road  
Khursipar, Near Bhilai ITI, Bhilai  
Chhattisgarh - 490 011  
India

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