

# 2016 2017

---

## ANNUAL REPORT



**SARTHAK METALS LIMITED**  
(Formerly : Sarthak Metals Marketing Private Limited)



## BOARD OF DIRECTORS

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

## CHIEF FINANCIAL OFFICER

Mr. Anirudh Singhal

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Itika Singhal

## STATUTORY AUDITORS

B. Vishwanath & Co.  
Chartered Accountants  
Block No. 7, First Floor,  
Himalaya Complex, G.E. Road,  
Supela, Bhilai - 490023

## 22<sup>nd</sup> ANNUAL GENERAL MEETING

DAY, DATE, TIME  
Tuesday, 1st August 2017 at 11 A.M.

## BANKERS

State Bank of India  
ICICI Bank Limited  
Axis Bank

## VENUE

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

## REGISTERED OFFICE

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

## BOOK CLOSURE

25th July 2017 to 1st August 2017

## REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments (next To Keys Hotel),  
Marol Maroshi Road, Andheri East, Mumbai 400059

# INDEX

Sr. No.	Particulars	Page No.
1	Letter to Shareholders	1
2	Notice for the AGM	2-4
3	Directors Report	5-13
4	Annexures to Directors Report	14-28
4a.	Annexure A	14
4b.	Annexure B	14-15
4c.	Form MGT - 9	16-25
4d.	Form AOC – 1	26-27
4e.	Form AOC – 2	28
5	Management Discussion & Analysis	29-30
6	Secretarial Report	31-33
7	Independent Auditors Report	34-39
8	Audited Financial Statements	40-43
9	Cash Flow Statement	44-55
10	Notes forming part of Financial Statement	46-77
11	Attendance Slip	78
14	Proxy Form	79
15	Route Map	80

## *Letter to Shareholders*

Dear Stakeholders,

We are pleased to share with you the Annual Report of your Company for the financial year 2016-17. During the year your company saw a 19.5% growth in revenues from FY 2016, a very healthy sign of improving Steel sector in India. Your company has also shown a healthy EBIDTA margin of 7.2% along with 10% growth in the Earnings Per Share. The Profit After Tax stood at ₹ 3.95 Crores on net sales of ₹ 153.87 Crores against ₹ 128.71 Crores in FY 2015-16. I am also delighted to state that your company has been performing well in the exports market with the export turnover increasing by 4 times in FY 2016-17.

Your company sold 8833.914 MT of products in FY 2016-17. Of this 5225.897 MT cored wires were sold and 3608.017 MT aluminum flipping coil were sold. I am honored to state that the production in FY 2016-17 was the highest your company has ever seen.

It has been eventful year in many ways, first being that the shares of your company were listed on 27th March 2017 on the SME exchange of BSE. The market has reacted positively to our performance in the past few months. Your company also started setting up Ferro Aluminum and Iron Powder plant in FY 2016-17, which have now come online. These production lines will add to the margins of the company as the company already has a market for these products, and producing them in-house would increase margins and help in entering new markets.

Remaining on track of it's earlier strategy of backward integration to increase margins in the current product basket your company is now planning to set up manufacturing plant of Aluminum Wire Rod. We currently buy Aluminum wire rod and convert the same into flipping coil, however, now your company in a bid to increase its market share in this product and improve the margins is setting up an aluminum wire rod plant. The work for the same is underway in full swing.

The current Indian government at the center has helped improved the demand of domestic steel with its various infrastructure spending policies and anti dumping measures. We are of the view that this government is into infrastructure growth for the long term and therefore the steel industries recovery is on the right path. Further, the interest rates are also spiraling downwards due to control of inflation and various RBI policies.

Overall, your company has been performing well even in the face of new entrants to the market and has been delivering strong results. Further, trust in Sarthak's brand name, dedication of our employees, well connected distribution network and our dedication to the clients makes the prospects of the company brighter for the future.

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

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

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

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Sarthak Metals Limited will be held on Tuesday, 1st August 2017 at 11. A.M. at the B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt Audited Financial statement for the year ended 31.03.2017 with all annexure and attachment thereto including the Auditor's Report and the Directors' Report.
2. To declare final Dividend for the financial year 2016-17.
3. To appoint Statutory Auditors and authorize the Board of Directors to fix the remuneration and in this regard to consider and if thought fit pass with or without modification (s), the following resolution as on Ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and such other applicable provisions, M/s Begani & Begani, (FRN- 010779C), Statutory Audit Firm be and is hereby appointed as Auditors of the Company in place of B. Vishwanath & Co., Chartered Accountant (FRN- 007875C) to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 27th AGM to 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### REGISTERED OFFICE:

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

CIN: L51102CT1995PLC009772

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

website: www.sarthakmetals.com

By Order of the Board of Directors

**SARTHAK METALS LIMITED**

Itika Singhal

Sd/-

Company Secretary

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The Explanatory statement for the proposed resolutions under Item No. 3 pursuant to section 102 of the Companies Act, 2013 read with section 110 of the Companies Act, 2013 setting out material facts are annexed herewith.

4. The attendance slip cum Proxy Form is placed at the end of this Annual Report.
5. Pursuant to the provision of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 25th July 2017 to Tuesday, 1st August 2017. (both days inclusive).
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting
7. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter shall be transferred to the Investor Education and Protection Fund (IEPF).
8. Members / Proxies attending the Meeting are requested to bring their copies of Annual Report together with attendance slip duly completed and signed along with Client ID and DP ID numbers.
9. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
10. The Ministry of Corporate Affairs has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore, you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in DEMAT through their respective Depository Participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.
11. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:

**Big Share Services Private limited**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis Apartments (Next to Keys Hotel),  
Marol Maroshi Road, Andheri East, Mumbai 400059

12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The same should be availed through respective depository.
13. The Notice of 22nd AGM along with the attendance slip and proxy form are being sent via electronic mode (to shareholders having their email IDs registered with the Company/Depository Participants) and in physical mode (to shareholders not having their email IDs registered with the Company/ Depository Participants).
14. The Company, being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 is not required to provide remote e-voting facility to its members.

**EXPLANATORY STATEMENT IN RESPECT OF ITEM NO. 3 OF THE NOTICE:**

M/s. B. Vishwanath & Co., Chartered Accountants, the existing auditors of the Company were appointed as Statutory Auditors of the Company at the AGM for holding the office from the conclusion of the 19th AGM till the conclusion of the 5th AGM from last AGM (Subject to ratification by the members at every subsequent Annual General Meetings).

However, M/s B. Vishwanath & Co., has shown their unwillingness to continue as Statutory Auditors of the Company for the financial year 2016-17 and onwards. Moreover, M/s B. Vishwanath & Co., was not the Peer Reviewed Auditor which is

necessary for listed entities. Hence, the Company was availing services of Peer reviewed Auditor separately.

The Company has received a consent Notice under the provision of the Companies Act, 2013 from the Auditor for appointing M/s Begani & Begani, Chartered Accountant, as Statutory Auditor of the Company. M/s Begani & Begani, Chartered Accountant, are also the Peer Reviewed Auditors. Moreover, M/s Begani & Begani, Chartered Accountant, Raipur has given their consent to act as Statutory Auditor of the Company and also provided declaration that their appointment, if made shall be within the limit prescribed.

The Company needs to appoint the Statutory Auditor for a term of five years as per the applicable provisions of the Companies Act, 2013.

None of the Directors, KMP or their relatives are in any way concerned or interested in this resolution.

The Board recommends the Ordinary Resolution set out on Item No. 3 of Notice for approval by members.

**REGISTERED OFFICE:**

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

CIN: L51102CT1995PLC009772

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

website: www.sarthakmetals.com

By Order of the Board of Directors  
SARTHAK METALS LIMITED  
Itika Singhal

**Sd/-**  
Company Secretary



## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the 22nd Annual Report of SARTHAK METALS LIMITED along with the Audited Financial Statements for the year ended 31st March 2017.

### FINANCIAL SUMMARY/HIGHLIGHTS

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

(In lakhs)

Particulars	Current Year as on 31.03.2017	Previous Year as on 31.03.2016
Total Income	15,387.39	12,871.40
Less: Expenditure & Depreciation	14,799.98	12,331.98
Profit before Tax (PBT)	587.41	539.42
Less: Tax (including deferred tax)	192.39	182.39
Profit After Tax (PAT)	395.02	357.03

### PERFORMANCE REVIEW

Iron & Steel sector has seen positive results in the past financial year after many years of poor performance. This is mainly due to two reasons, first being higher budget allocation by Central Government of on infrastructure expenditure and measures to stop cheap steel imports from China. Overall it has been a good year for your company. Our revenues have increased by 19.55% and EBIDTA by 11.93%. Earnings per share have also increased by 10.5% despite new shares being issued by the company. The growth has been steady despite many other players entering the market. We have been able to show good performance due to our client's trust in our product and their readiness to pay a premium for the same.

### DIVIDEND

The Board consider that the profits of the company are attributed to the trust of the shareholders in the management of the Company. Accordingly, the board proposed to declare a dividend of 5% per equity share and the same has been placed for approval of shareholders of the company in the forthcoming Annual General Meeting (AGM).

### RESERVES

During the year under review, the Board in its meeting held on 29th May, 2017 has recommended an amount of Rs. 68,44,875 as proposed dividend. The above proposal has been recommended by the Board of Directors of the Company which needs to be approved by the shareholders at ensuing Annual General Meeting. The Company has transferred Rs. 3,20,00,000 to the securities premium account and no amount has been transferred to the Revaluation Reserve.

### SHARE CAPITAL

The Paid-up Equity share capital of the Company as on 1st April, 2016 was Rs. 12,08,97,500 divided into 1,20,89,750 Equity Shares of Rs 10/- each. On 24th March 2017, the Company has issued 16,00,000 more shares worth Rs 10 each. The equity share capital thus, as on 31/03/2017 was Rs. 13,68,97,500.

## SUCCESSFUL INITIAL PUBLIC OFFERING

At the beginning of the financial year, the Company was an unlisted private Company. With effect from 23rd August, 2016 the Company converted into a Public Limited Company. The Company has made an Initial Public Offer of 36,36,000 Equity Shares of Face Value of Rs.10 each for cash at a price of Rs. 30 per Equity Share (including a share premium of Rs. 20 per Equity share) ("Offer Price") aggregating to Rs.1090.80 Lakhs ("The Offer") consisting of a fresh issue of 16,00,000 Equity Shares aggregating to Rs. 480 lakhs (The "Fresh Issue") and an offer for sale of 20,36,000 Equity Shares by the selling shareholders aggregating to Rs. 610.80 lakhs ("Offer for Sale") vide Prospectus dated 25th February, 2017. The Company has successfully completed the Initial Public Offering (IPO) in the current year pursuant to the applicable SEBI Rules and Regulations. The IPO opened on 10th March, 2017 and closed on 17th March, 2017.

The Public Offer of the Company received an encouraging response from the investors and the public issue was oversubscribed. The Equity Shares of the Company have been listed on SME Platform of BSE Limited w.e.f 27th March, 2017.

## EXTRACT OF THE ANNUAL RETURN

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

## CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the requirement of Key Managerial Personnel became applicable to the Company.

- Mr. Chetan Kumar (DIN: 00327687) and Mrs. Rama Kohli (DIN: 01835824) were appointed as Independent Directors w.e.f 24.08.2016 of the Company pursuant to section 149 of the Companies Act, 2013 for a term of five years each from 24th August, 2016 to 23rd August, 2021 and that he/she will not be liable to retire by rotation. The appointment of Mr. Chetan Kumar and Mrs. Rama Kohli were approved by the shareholders at Extra Ordinary General Meeting on 26th August, 2016.
- In accordance with section 149 (7) of the Act, each Independent Director has given a written declaration to the company that he/she meets the criteria of independence as laid down under section 149(6) of the Act and clause 49 of the Listing Agreement/ Regulation 16(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- Mr. Anoop Kumar Bansal (DIN: 01661844) was appointed as Managing Director of the company for a period of five years w.e.f 21.08.2016. The appointment was approved by the Board of shareholders of the Company at Annual General Meeting on 20th August, 2016.
- Mr. Kishore Kumar Bansal (DIN: 03067387) resigned from the post of Whole Time Director of the company and continues as a normal Director of the Company w.e.f 16.08.2016.
- Mr. Mayur Bhatt (07586457) was appointed as Whole Time Director of the Company w.e.f. 24.08.2016 for a period of 3 years. The appointment was approved by the shareholders at Annual General Meeting on 20th August, 2016.
- Mr. Sanjay Shah (00350967) was only a Director of the Company but w.e.f. 24.08.2016 he was appointed as Whole Time Director of the Company for a period of 3 years. The appointment was approved by the shareholders at Extra Ordinary General Meeting on 26th August, 2016
- Mr. Anirudh Singhal was appointed as Chief Financial Officer of the Company w.e.f. 24.08.2016. The appointment of Mr. Anirudh Singhal, Chief Financial Officer, was approved by the Board of Directors of the company at Board Meeting on 4th August, 2016.
- Ms. Brinda Sethi was appointed as Company Secretary of the Company w.e.f 12th August, 2016. She has resigned

from the post of Company secretary of the Company w.e.f. 1st April, 2017.

- Mrs. Itika Singhal was appointed as a Company Secretary of the Company with the approval of Board in the Board Meeting w.e.f. 15th April, 2017.

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

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

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

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

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

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

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

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

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

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

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

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors duly met 8 (Eight) times in financial year 31st March, 2017.

S.No	Date
1.	29.04.2016
2.	05.07.2016

3.	04.08.2016
4.	12.08.2016
5.	24.08.2016
6.	10.12.2016
7.	10.02.2017
8.	23.03.2017

#### MEETINGS OF INDEPENDENT DIRECTORS:

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

#### AUDIT COMMITTEE

The Audit Committee was constituted in the Board Meeting and consists of the following Directors:

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

#### NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted in the Board Meeting and Composition of the Committee is as under:

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

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was constituted in the Board Meeting and Composition of the Committee is as under:

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

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Stakeholders Relationship Committee was constituted in the Board Meeting and Composition of the Committee is as under:

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

#### NOMINATION & REMUNERATION POLICY OF THE COMPANY:

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

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

#### ANALYSIS OF REMUNERATION

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

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

Names and Positions	[A] Ratio of Directors' Remuneration to the median Remuneration of Employees	[B] Percentage (%) increase in Remuneration
MR. CHETAN KUMAR (INDEPENDENT DIRECTOR & CHAIRPERSON)	NIL	Not Applicable
MS. RAMA KOHLI (INDEPENDENT DIRECTOR)	NIL	Not Applicable
MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR)	31.54 Times	Not Applicable
MR. MAYUR BHATT (WHOLE TIME DIRECTOR)	9.33 Times	Not Applicable
MR. KISHORE KUMAR BANSAL (DIRECTOR)	13.14 Times	Not Applicable
MR. SANJAY SHAH (WHOLE TIME DIRECTOR)	31.54 Times	Not Applicable
MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER)	5.69 Times	Not Applicable
MS. BRINDA SETHI (COMPANY SECRETARY)	1.16 Times	Not Applicable

The median remuneration of employees of the Company during the financial year was Rs. 1,14,144 p.a. Please note that only those persons who were employees as on 31st March 2017 have been considered for the calculation of the median salary. Further, no bonus payments have been considered for these calculations.

[C] Percentage increase in the median Remuneration of Employees	Since, this is the first year of listing for the company, the median remuneration for last year was not calculated. Hence, the percentage increase cannot be calculated.	
[D] Number of permanent Employees on the rolls of Company	100 as on 31st March 2017	
[E] Explanation on the relationship between average increase in Remuneration and Company performance	Please refer Point C above	
[F] Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company	The Remuneration of the Key Managerial personnel has declined 13% and the company's turnover has increased by 19.5%. Further, the company's EPS has also increased by 10.5%.	
[G] Variations in the Market Capitalization of the Company as at 31st March, 2017 as compared to 31st March, 2016	The Company was not listed, as on 31st March 2016 therefore, market capitalization cannot be compared.	
[H] Price Earning Ratio as at 31st March, 2017 as compared to 31st March, 2016	Increase of 10.5%	
[I] Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	The company was listed as on 27th March 2017 at Rs 30 per equity share. The price per equity share on 31st March 2017 at closing bell was Rs 35.05 per share. The percentage increase is 16.83%.	
[J] Average percentile increase already made in the salaries of employees other than the managerial personal in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	Please refer Point C above.	
<b>(K) Comparison of the each KMPs Remuneration vis-à-vis the performance of the Company</b>		
Name of KMP	Remuneration of KMP (Rs in Lacs)	Net Profit of Company after tax (Rs in Lacs)
Mr. Anoop Kumar Bansal (Managing Director)	39.00	395.02
Mr. Anirudh Singhal (Chief Financial Officer)	8.00	
Mr. Mayur Bhatt (Whole Time Director)	12.15	
Mr. Sanjay Shah (Whole Time Director)	39.00	
Ms. Brinda Sethi (Company Secretary)	0.84	
[L] The key parameters for any variable component of remuneration availed by the directors	No	
[M] The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	Highest paid Directors Remuneration (I) Rs 39,00,000	Remuneration of Ratio Employee receiving remuneration in excess of (I) Not Applicable

**PARTICULARS OF EMPLOYEES**

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

**REGULATORY ORDERS**

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

**WHISTLE BLOWER POLICY:**

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

**STATUTORY AUDITORS**

In accordance with the provisions of Section 139 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and such other applicable provisions, M/s Begani & Begani, (FRN-010779C), Statutory Audit Firm be and is hereby appointed as Auditors of the Company in place of B. Vishwanath & Co., Chartered Accountant (FRN- 007875C) to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 27th AGM to 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**AUDITORS' REPORT**

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

**COST AUDITOR- NOT APPLICABLE****SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s NILESH A. PRADHAN & CO. Practicing Company Secretary (COP. No. 3659) to undertake the Secretarial Audit of the Company for the 31st, March, 2017.

The Secretarial Audit Report for the financial year ended 31st March 2017 is included as Annexure MR-3 and forms an integral part of this report.

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

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

**CORPORATE SOCIAL RESPONSIBILITY**

The details of the Corporate Social Responsibility Policy framed and activities carried out thereunder are required to be



disclosed in the format prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is given as Annexure-B

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

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

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

Details of related party transactions are required to be disclosed.

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

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

Management does not perceive any material changes occurred subsequent to the close of the financial year as on 31st March, 2017 before the date of report dated 29th May, 2017, affecting the financial position of the Company in any substantial manner.

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

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

(B) Foreign exchange earnings and Outgo:

Particulars	As on 01.04.2016 (In Rs.)	As on 31.03.2017 (In Rs.)
Foreign exchange earnings	19,63,37,981.50	5,71,99,953
Foreign Exchange Outgo	33,57,83,332	39,73,15,729

#### **PUBLIC DEPOSITS**

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

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

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

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

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against losses from unauthorized use or disposition and that transactions are authorized, recorded and reported



correctly. The Company has an effective system in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws. The auditors have also expressed their satisfaction on the adequacy of the internal control systems incorporated by your company in their independent Internal Auditor Report.

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors have prepared the annual accounts on a going concern basis; and

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

**ACKNOWLEDGMENTS:**

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

**FOR SARTHAK METALS LIMITED**

Sd/

**(ANOOP KUMAR BANSAL)**

**(DIN No. 01661844)**

**Chairman & Managing Director**

Place: Bhilai, Chhattisgarh

Date: 23.06.2017

## ANNEXURE: A

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

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

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

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Sarthak Metals Limited is keen to working towards providing education to the under privileged kids. In this endeavor, the company has associated itself with Shoshit Seva Sangh Foundation which operates a school in Patna for the Musahar (Rat Eating) Community of Bihar. The link of the website is <a href="http://sssfoundation.org">http://sssfoundation.org</a> .
2.	The composition of the CSR committee	Composition of the CSR Committee <ol style="list-style-type: none"> <li>1. Mr. Chetan Kumar- Chairman/ Non- Executive &amp; Independent Director</li> <li>2. Mrs. Rama Kohli- Member/ Non- Executive &amp; Independent Director</li> <li>3. Mr. Kishore Kumar Bansal- Member/ Non- Executive &amp; Non- Independent Director</li> </ol>
3.	Average net profit of the company for last three financial years.	Rs 596.44 Lacs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs 9.03 lacs.
5.	Details of CSR spent during the financial year:	
(a)	Total amount to be spent for the financial year	Rs. 9.03 lacs
(b)	Amount unspent, if any	Rs. 6.63 lacs
(c)	Manner in which the amount spent during the financial year is detailed below	Rs 2.40 lacs – Donation to SSS Foundation

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise  (Amount in Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads  (Amount in Rs.)	Cumulative expenditure upto the reporting period (as on 31.03.2017)	Amount spent: Direct or through implementing agency
1.	Shoshit Seva Sangh Foundation	EDUCATION	BIHAR	Rs 9.03 lacs	Rs 2.40 lacs	Rs 2.40 lacs	Direct

6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	NA
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.	YES

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017

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

**I. REGISTRATION AND OTHER DETAILS:**

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

Big Share Services Private limited  
 1st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis Apartments (Next To Keys Hotel),  
 Marol Maroshi Road, Andheri East, Mumbai 400059  
 .Tel: 91-22-62638200  
 Email: ipo@bigshareonline.com

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

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

Sl.No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	MANUFACTURING OF FERRO ALLOYS	27110	64.47%
2	MANUFACTURING OF ALUMINUM WIRE FLIPPING COIL	27203	33.54%

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

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

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01/04/2016	No. of Shares held at the end of the year i.e. 31/03/2017	% change during the year						
			Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-								
(1) Indian									
Individual /HUF	-	7,346,100	7,346,100	60.76%	7,349,700	-	7,349,700	53.69%	-7.07%
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	-	2,513,250	2,513,250	20.79%	901,250	-	901,250	6.58%	-14.21%
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other DIRECTORS RELATIVES	-	1,229,000	1,229,000	10.17%	1,229,000	-	1,229,000	8.98%	-1.18%
Sub-total (A) (1):-		11,088,350	11,088,350	91.72%	9,479,950		9,479,950	69.25%	-22.47%
(2) Foreign									
NRIs - Individuals	-	-	-	-	-	-	-	-	-
Other - Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp	-	-	-	-	-	-	-	-	-
Banks/ FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total shareholding (A)=(A)(1)+(A)(2)	-	11088350	11088350	91.72%	9479950	-	9479950	69.25%	-22.47%
1. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-

Central Govt.	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
Sub -Total B(1)	-	-	-	-	-	-	-	-	-
2.Non-Institutions									
Bodies Corporate	-	-	-	-	684000		684000	5.00%	5.00%
( Overseas)	-	-	-	-	36000	-	36000	0.26%	0.26%
Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	-	3600	3600	0.03%	781838	-	781838	5.71%	5.68%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	-	997800	997800	8.25%	2356550	-	2356550	17.21%	8.96%
c) Others (CLEARING MEMBER)	-	-	-	-	351412	-	351412	2.57%	2.57%
Sub-total (B)(2):-		1001400	1001400	8.28%	4209800		4209800	30.75%	22.47%
Total Public Shareholding (B)=(B)(1) +(B)(2)		1001400	1001400	8.28%	4209800		4209800	30.75%	22.47%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		12089750	12089750	100%	13689750		13689750	100%	0%

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year	Share holding at the end of the year					
		No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in share holding during the Year
1	MR. ANOOP KUMAR BANSAL	1145250	9.47%	NA	1145250	8.37%	NA	1.1%
2	MR. KISHORE KUMAR BANSAL	741000	6.13%	NA	741000	5.41%	NA	0.72%
3	MR. SANJAY SHAH	535950	4.43%	NA	535950	3.91%	NA	0.52%
4	MR. MANOJ KUMAR BANSAL	3779100	31.25%	NA	3782700	27.63%	NA	3.62%
5	MS. SHALINI SHAH	261000	2.159%	NA	261000	1.91%	NA	0.249%
6	MS. CHAMPA BEN SHAH	277200	2.29%	NA	277200	2.02%	NA	0.27%
7	MANOJ KUMAR BANSAL (HUF)	213300	1.76%	NA	213300	1.55%	NA	0.21%
8	DESH RAJ BANSAL (HUF)	540000	4.47%	NA	540000	3.94%	NA	0.53%
9	CHAMANLAL KHUSHALJI SHAH (HUF)	247500	2.05%	NA	247500	1.81%	NA	0.24%
10	ANOOP KUMAR BANSAL (HUF)	144000	1.19%	NA	144000	1.05%	NA	0.14%
11	MS. SANJU BANSAL	237000	1.96%	NA	237000	1.73%	NA	0.23%
12	MS. KIRTI BANSAL	231300	1.91%	NA	231300	1.69%	NA	0.22%
13	MS. SIMMI BANSAL	222500	1.84%	NA	222500	1.63%	NA	0.21%
14	SARTHAK ENERGY PRIVATE LIMITED	1613250	13.34%	NA	1250	0.0091%	NA	13.33%
15	METAL GRACE INJECTION ALLOYS PRIVATE LIMITED	900000	7.44%	NA	900000	6.57%	NA	0.87%
	TOTAL	11088350	91.689%		9479950	69.229%		22.46%

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

Sl. No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>MR. ANOOP KUMAR BANSAL (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>MR. KISHORE KUMAR BANSAL (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>MR. SANJAY SHAH (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>MR. MANOJ KUMAR BANSAL</b>				
	At the beginning of the year	3779100	31.25%	3782700	27.63%
	Increase in shareholding	3600	-3.62%	-	-
	At the End of the year	3782700	27.63%	-	-
<b>5</b>	<b>MS. SHALINI SHAH (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>6</b>	<b>MS. CHAMPA BEN SHAH (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>7</b>	<b>MANOJ KUMAR BANSAL (HUF) (NO CHANGE)</b>				
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-



<b>8</b>	<b>DESH RAJ BANSAL(HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>9</b>	<b>CHAMANLAL KHUSHALJI SHAH (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>10</b>	<b>ANOOP KUMAR BANSAL (HUF)</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>11</b>	<b>MS. SANJU BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>12</b>	<b>MS. KIRTI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>13</b>	<b>MS. SIMMI BANSAL</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-
<b>14</b>	<b>SARTHAK ENERGY PRIVATE LIMITED</b>				
	At the beginning of the year	1613250	13.34%	1250	0.0091%
	Decrease in shareholding	1612000	-13.3309%	-	-
	At the End of the year	1250	0.0091%	-	-
<b>15</b>	<b>METAL GRACE INJECTION ALLOYS PRIVATE LIMITED</b>	<b>(NO CHANGE)</b>			
	At the beginning of the year	-	-	-	-
	Increase in shareholding	-	-	-	-
	At the End of the year	-	-	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MR. MAYUR BHATT	454050	3.76%	454050	3.32%
2.	GUINNESS SECURITIES LTD.	-	-	280000	2.05%
3.	MR. SANJAY POPATLAL JAIN	-	-	232000	1.69%
4.	MR. PRASHANT SHRIVASTAVA	225000	1.86%	-	-
5.	BAHUBALI FINANCIAL SERVICES LTD.	-	-	164000	1.20%
6.	BHILAI TECHNO PRIVATE LIMITED	-	-	164000	1.20%
7.	MR. PARASRAM HOLDINGS PRIVATE LIMITED	-	-	160000	1.17%
8.	MR. GOPAL AGARWAL	-	-	160000	1.17%
9.	MR. SUNIL KUMAR PYAREYLAL AGARWAL	-	-	160000	1.17%
10.	MS. SAROJ GROVER	155250	1.28%	1250	0.01%
11.	MR. HARSH SARAWGI	-	-	144000	1.05%
12.	MRS. JAYA BHATT	118500	0.98%	118500	0.87%
13.	MR. R.S.N. MURTHY	45000	0.37%	-	-
14.	MS. SHIBANI NANDI	1800	0.015%	4000	0.03%
15.	MS. SURABHI CHAKRABORTY	1800	0.015%	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year		
	For each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MR. ANOOP KUMAR BANSAL (MANAGING DIRECTOR)	1145250	9.47%	1145250	8.37%
2.	MR. CHETAN KUMAR (INDEPENDENT DIRECTOR)	NIL	NIL	NIL	NIL
3.	MR. MAYUR BHATT (WHOLE TIME DIRECTOR)	454050	3.76%	454050	3.32%
4.	MR. SANJAY SHAH (WHOLE TIME DIRECTOR)	535950	4.43%	535950	3.92%
5.	MS. RAMA KOHLI (INDEPENDENT DIRECTOR)	NIL	NIL	NIL	NIL

6.	MR. KISHORE KUMAR BANSAL (DIRECTOR)	741000	6.13%	741000	5.41%
7.	MR. ANIRUDH SINGHAL (CHIEF FINANCIAL OFFICER)	NIL	NIL	56000	0.41%
8.	MS. BRINDA SETHI (COMPANY SECRETARY)	NIL	NIL	NIL	NIL
9.	MRS. ITIKA SINGHAL	NIL	NIL	NIL	NIL

**(v) INDEBTEDNESS:**

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

**(In Rupees)**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
I) Principal Amount	23,28,69,658.95	18,22,769	-	23,46,92,427.95
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	23,28,69,658.95	18,22,769	-	23,46,92,427.95
Change in Indebtedness during the financial year		-	-	4,76,81,136.08
* Addition	4,76,81,136.08	-	-	-
* Reduction		-	-	
Net Change	4,76,81,136.08	-	-	-
Indebtedness at the end of the financial year				
I) Principal Amount	28,05,50,795.03	-	-	28,05,50,795.03
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	-	3,24,618	-	3,24,618
Total (i+ii+iii)	28,05,50,795.03	3,24,618	-	28,08,75,413.03

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		<b>MR. ANOOP KUMAR BANSAL</b>	<b>MR. MAYIUR BHATT</b>	<b>MR. SANJAY SHAH</b>	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39,00,000	12,15,000	39,00,000	90,15,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission As % of profit Others, specify	NIL	NIL	NIL	NIL
5	Others, specify	NIL	NIL	NIL	NIL
	Total (A)	39,00,000	12,15,000	39,00,000	90,15,000
	Overall Ceiling as per the Act	42,00,000	42,00,000	42,00,000	

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

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount		
		<b>MR. CHETAN KUMAR</b>	<b>MRS. RAMA KOHLI</b>	<b>MR. KISHORE KUMAR BANSAL</b>	
1.	Independent Directors * Fee for attending board committee meetings * Commission * Other, Salary	NIL	NIL	NIL 18,00,000	NIL
	Total (1)	NIL	NIL	NIL	NIL
2.	Other Non-Executive Directors * Fee for attending board committee meetings * Commission * Others, please specify	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	1800,000 P.A.	1800,000 P.A.
	Overall Ceiling as per the Act	within the Ceiling Limit	within the Ceiling Limit	within the Ceiling Limit	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT****(In Rupees)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	TOTAL
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961		1,44,000	8,00,000	9,44,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act,1961		NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act,1961		NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission As % of profit Others, specify		NIL	NIL	NIL
5	Others, specify		NIL	NIL	NIL
	Total (A)		1,44,000	8,00,000	9,44,000
	Overall Ceiling as per the Act		within the Ceiling Limit	within the Ceiling Limit	

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

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

**FOR SARTHAK METALS LIMITED**

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

**MAYUR BHATT**  
**Director**  
**07586457**

**Place: Bhilai, Chhattisgrah**  
**Date: 23.06.2017**

**Form AOC-1**

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

**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

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

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

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

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

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

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

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

1. Names of associates or joint ventures which are yet to commence operations

2. Names of associates or joint ventures which have been liquidated or sold during the year.

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

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

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any	
1) METAL GRACE INJECTION ALLOYS PRIVATE LIMITED	ASSOCIAE ENTERPRISE	Interest on Loan and Rent Paid	ANNUALY	1.Interest on unsecured Loan- 3,24,618.00 2.Rent paid- 1,44,000.00	NIL	NIL
2) M/S BANSAL BROTHERS	ASSOCIAE ENTERPRISE	Purchase of packing material, consumables stores, raw material, and fixed assets Repair & Maintenance Sale of Goods	ANNUALY	1.Purchase of Packing Material- 1,93,173.13 2.Purchase of Consumable Stores - 15,863.40 3.Purchase of Raw Material -8,35,90,517.17 4.Purchase of Fixed Assets -1,95,788.53 5.Repair & Maintenance 1,62,422.10 6.Sale of Goods- 3 1,23,455.89	NIL	NIL



## Management Discussion & Analysis

### Overall Indian Economy Outlook

The Indian Economy has been growing at the projected growth rates despite global downturns in Russia and China. Mainstay of India's growth has been domestic consumption. Most of the analysts believe that the Indian economy shall grow by 7.5% in FY 2017 fiscal. India steel export saw a growth of 150% in FY 2017 due to various government policies. Government's policies have also led to higher infrastructure expenditure giving a dynamic push to India's steel sector. India has the one of the lowest per capita steel consumption in the world. Due to government's push by rapid growth in industrial sector, railways, roads & highways and other sectors the per capita consumption of Steel is projected to increase in the coming fiscals.

### Steel Sector Outlook

India is currently the third largest producer of Steel in the world. India's crude steel production grew by 7.4 per cent year-on-year to 95.6 Million Tonnes (MT) in 2016. Total production of crude steel during February 2017 grew by 8.5 per cent year-on-year to 8.08 Million Tonnes. India's steel exports grew 150.0 per cent year-on-year to 0.75 Million Tonnes in February 2017, while steel imports declined 46 per cent year-on-year to 0.49 MT. Total consumption of finished steel grew by 3.4 per cent year-on-year to 76.22 MT during April 2016-February 2017.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 10.15 billion, respectively, in the period April 2000– December 2016.

### Opportunities

After the crisis of 2008 and ensuing low demand of steel the industry is in recovery and doing so quite well. The main driver of growth has been domestic demand for the steel sector. Industries like automotive, oil & gas, infrastructure shall bring more investments and growth to the sector. In fact, all major steel plants have put their expansion plans back on track.

Steel production in India is forecasted to double by 2031. Indian government has provided policy support by safeguard duties to prevent cheap imports from China and achieve sector fiscal targets. 100% FDI also has been allowed and promoted by the Ministry of Steel. National Steel Policy, 2017 looks quite promising if implemented. Following points highlight the major opportunities for Indian steel sector:

- Unexplored Rural market and rapid urbanization with 100 smart cities plan of the Central Government
- Flow of foreign investments in the Make in India drive of Indian government
- Increased investment in infrastructure
- Increasing production and exports in automotive sector

### Threats

The main threat to the Indian steel industry is from cheap steel imports which the Chinese companies are dumping in India. The current government has put safeguard duties for the same and protected the local industries. However, it is not clear for how long these duties shall prevail.

Further, Indian steel companies face pressure from banks, as most of the steel companies are overleveraged and poor debt service performance. Off late many companies have shown healthy results and ratios but some steel companies still remain in red. Any defaults in this sector shall be a major blow to the credibility of the entire sector.

Lastly, global protectionism is also becoming prevalent with most of the countries raising import duties or taking other measures to reduce reliance on imports and supporting local industries. Indian steel exports have seen a rise of more than 150% in 2016-17. However, if global protectionism is actively adopted by most of the countries this number shall not be sustainable and global demand for Indian steel might suffer.

### Product Wise Performance

Sarthak Metals Limited has two manufacturing divisions as on 31st March 2017 i.e. industrial oxygen manufacturing and cored wire manufacturing plant. The industrial oxygen plant is of 200 Cubic Meter per hour capacity. It has been giving steady performance and catering to nearby steel fabrication companies. The cored wire division of the company manufactures various cored wires and aluminum flipping coils for the Iron & Steel companies. Your company has commissioned the Ferro Aluminum and Iron Powder plants. Further, your company has also started the commissioning of Aluminum wire rod manufacturing plant, which shall be the raw material for Aluminum flipping coil. We are hopeful of reducing our procurement costs with these plants coming online.

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

Product Name	Contribution to Turnover (Rs in Crores)	Quantity (in Metric Tonnes)	Capacity Utilisation
Cored Wires	98.11	5225.897	70% Approx
Aluminum Flipping Coil	51.05	3608.017	50% Approx
Total	149.16	8833.914	60% Approx

### Outlook

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

### Cautionary Statement

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

**Form No. MR-3**

**SECRETARIAL AUDIT**

REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December, 2015;

- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
- f) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable);
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable );
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable );
- i) 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
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).;

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

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

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

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

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

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

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

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

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

I further report that during the audit period the Company has undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as under:

- (I) The Company has come out with the Initial Public Offering of 16,00,000 Equity Shares of the Face Value of Rs.10.00 at a price of Rs. 30.00 per Equity Share.

(ii) The Company was listed on 27th March, 2017 on BSE Limited, SME platform.

Place: Mumbai  
Date: 23rd June, 2017

For Nilesh A. Pradhan & Co.  
Practicing Company Secretary

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

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

**ANNEXURE -I**

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

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

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

For Nilesh A. Pradhan & Co,  
Practicing Company Secretaries

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

Place: Mumbai  
Date: 23rd June, 2017

**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF

**M/s SARTHAK METALS LIMITED**

(Formerly known as Sarthak Metals Marketing Private Limited)

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2017;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

(c) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

#### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure -A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as under:
    - i. The company does not have any pending litigation, which would impact its financial position.
    - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts, which required to be transferred by the Company to the Investor Education and Protection Fund.
    - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Please refer Note - 39 to the Audited financial statements.

Place: BHILAI

Date: 29/05/2017

For B.VISHWANATH & CO.  
CHARTERED ACCOUNTANTS  
FRN NO. 007875C

Sd/-  
(RITESH KUMAR VERMA)  
PARTNER  
M.NO. 427109



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

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of M/s SARTHAK METALS LIMITED (Formerly known as Sarthak Metals Marketing Private Limited) on the accounts of the company for the year ended 31st March, 2017]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (I) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed asset.
  - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancy was noticed.
- (iii) As at the year end, there is no loan outstanding given by the Company, which is covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not received any public deposit during the year.
- (vi) Maintenance of cost records for the items manufactured / dealt by the Company in its different undertakings is not applicable, as explained.
- (vii) In respect of statutory dues:
- (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value Added Tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities barring few cases where the liabilities were paid belatedly with due interest.
  - (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to financial institutions and banks during the year.
- (ix) The Company has raised money by way of Fresh/ Initial Public Offer (the IPO) during the year. Since the Company is listed on BSE SME Segment on 27th March 2017, the amount received is kept deposited in the bank account of



the Company at the year-end.

- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Managerial Remuneration :
  - a. Period 01.04.2016- 22.08.2016 - The Company being a private limited company, provisions of section 197 read with Schedule V to the Companies Act with respect to managerial remuneration is not applicable.
  - b. Period 23.08.2016 to 31.03.2017 - According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For B.VISHWANATH & CO.  
CHARTERED ACCOUNTANTS  
FRN NO. 007875C

Place: BHILAI  
Date: 29/05/2017

Sd/-  
**(RITESH KUMAR VERMA)**  
PARTNER  
M.NO. 427109

### **Annexure-‘B’ to the Auditor’s Report**

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of M/s SARTHAK METAL LIMITED (Formerly known as Sarthak Metals Marketing Private Limited) on the accounts of the company for the year ended 31st March, 2017]

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

#### **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. 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 judgement, 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 expenditure 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: BHILAI

Date: 29/05/2017

For B.VISHWANATH & CO.  
CHARTERED ACCOUNTANTS  
FRN NO. 007875C

Sd/-  
(RITESH KUMAR VERMA)  
PARTNER  
M.NO. 427109

**SARTHAK METALS LIMITED**  
( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )  
**BALANCE SHEET AS AT 31st MARCH 2017**

Particulars		Note No.	As at 31 March, 2017	As at 31 March, 2016
			₹	₹
<b>1</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
	<b>Shareholders' Funds</b>			
	(a) Share capital	3	136,897,500.00	120,897,500.00
	(b) Reserves and surplus	4	189,853,764.43	118,352,073.61
	<b>Total (1)</b>		<b>326,751,264.43</b>	<b>239,249,573.61</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long-term borrowings	5	10,046,022.32	4,102,726.00
	Deferred Tax Liability	6	1,651,200.93	1,244,932.93
	Long Term Provision - Gratuity		1,219,035.00	880,349.00
	<b>Total (2)</b>		<b>12,916,258.25</b>	<b>6,228,007.93</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short Term Borrowings	7	262,397,268.71	227,561,947.95
	(b) Trade payables	8	3,451,869.89	1,451,887.49
	(c) Short-term provisions	9	1,174,354.00	1,318,274.00
	(d) Other Current Liabilities	10	20,716,230.03	13,044,461.00
	<b>Total (3)</b>		<b>287,739,722.63</b>	<b>243,376,570.44</b>
	<b>TOTAL (1 - 3)</b>		<b>627,407,245.31</b>	<b>488,854,151.98</b>
<b>B</b>	<b><u>ASSETS</u></b>			
<b>1</b>	<b>Non-Current Assets</b>			
	Fixed Assets			
	(a) Tangible assets	11	70,326,683.44	58,659,392.89
	(b) Capital Work-in-progress		19,367,834.34	7,125,857.00
	(c) Unit Acquisition for future use		-	14,985,227.00
	(d) Intangible Assets		3,203,594.00	-
	<b>Total (1)</b>		<b>92,898,111.78</b>	<b>80,770,476.89</b>
<b>2</b>	<b>Non-Current Investments</b>	12	7,500,000.00	7,500,000.00
	<b>Total (2)</b>		<b>7,500,000.00</b>	<b>7,500,000.00</b>
<b>3</b>	<b>Current Assets</b>			
	(a) Inventories	13	101,517,850.44	106,975,942.35
	(b) Trade receivables	14	297,734,582.75	249,584,722.97
	(c) Cash and cash equivalents	15	89,004,790.94	15,117,890.32
	(d) Short-term loans and advances	16	38,751,909.40	28,905,119.45
	<b>Total (3)</b>		<b>527,009,133.53</b>	<b>400,583,675.09</b>
	<b>TOTAL (1 - 3)</b>		<b>627,407,245.31</b>	<b>488,854,151.98</b>

Summary of significant accounting policies

1 & 2

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

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

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

AUDITORS' REPORT  
AS PER OUR REPORT OF EVEN DATE ANNEXED

FOR B. VISHWANATH & CO.  
CHARTERED ACCOUNTANTS  
F.R.N. -007875C

Sd/-  
( MAYUR BHATT )  
WHOLE TIME DIRECTOR  
DIN - 07586457

Sd/-

Sd/-  
( ITIKA SINGHAL )  
COMPANY SECRETARY

(RITESH KUMAR VERMA)  
PARTNER  
M. No. 427109

PLACE: BHILAI (C.G.)

DATE : 29.05.2017

**SARTHAK METALS LIMITED**  
( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )  
**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017.**

Particulars		Note No.	For the year ended 31 March, 2017	For the year ended 31 March, 2016
			₹	₹
I.	Revenue from operations (net)	17	1,521,783,800.31	1,277,697,943.92
II.	Other income	18	16,954,743.48	9,441,898.69
III.	Total Revenue (I+II)		<b>1,538,738,543.79</b>	<b>1,287,139,842.61</b>
IV.	<b>Expenses</b>			-
	(a) Cost of Materials Consumed	19.a	1,282,935,271.95	1,103,573,849.53
	(b) Purchases of Traded Goods	19.b	1,083,600.02	665,954.00
	(c) Changes in Inventories of finished goods and stock-in-trade	19.c	3,935,173.02	(7,514,132.28)
	(d) Employee Benefits Expenses	20	41,895,817.00	38,344,108.00
	(e) Finance Costs	21	33,783,126.32	27,816,261.42
	<u>(f) Depreciation and amortization expenses</u>	11		
	-Depreciation		10,082,255.00	9,910,272.00
	-Amortization Expenses		480,000.80	130,000.00
	(g) Other Expenses	22	105,802,762.86	60,271,908.61
	<b>Total Expenses (IV)</b>		<b>1,479,998,006.97</b>	<b>1,233,198,221.28</b>
V.	<b>Profit before Exceptional items, Extraordinary items and Tax (III-IV)</b>		58,740,536.82	53,941,621.33
VI.	Exceptional items (Gratuity Expenses)		-	-
VII.	<b>Profit before Extraordinary items and Tax (V-VI)</b>		58,740,536.82	53,941,621.33
VIII.	Extraordinary items (Corporate Social Responsibility)		-	-
IX.	<b>Profit Before Tax (VII-VIII)</b>		58,740,536.82	53,941,621.33
X.	<b>Tax Expenses:</b>			
	(a) Current tax expense		19,598,587.00	18,645,059.00
	(b) Expense relating to prior years (net) (refer note 38)		(766,009.00)	28,990.00
	(b) Deferred tax Expenses /(Income)		406,268.00	(435,399.00)
	<b>Total Tax Expenses (X)</b>		<b>19,238,846.00</b>	<b>18,238,650.00</b>
XI.	<b>Profit from continuing operations (IX-X)</b>		39,501,690.82	35,702,971.33
XII.	Profit from Discontinuing Operations		-	-
XIII.	Tax expense of Discontinuing Operations		-	-
XIV.	Profit from Discontinuing Operations		-	-
XV.	<b>Profit for the year (XI + XIV)</b>		<b>39,501,690.82</b>	<b>35,702,971.33</b>
XVI.	<b>Earnings per Equity share (of ` 10/- each):</b>			
	Basic & Diluted	36	3.26	2.95
	(EPS as per AS - 20)			

Summary of significant accounting policies

1 &amp; 2

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

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

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

**Sd/-**  
**( MAYUR BHATT )**  
**WHOLE TIME DIRECTOR**  
**DIN - 07586457**

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

**AUDITORS' REPORT**  
**AS PER OUR REPORT OF EVEN DATE ANNEXED**

**FOR B. VISHWANATH & CO.**  
**CHARTERED ACCOUNTANTS**  
**F.R.N. -007875C**

**Sd/-**  
**(RITESH KUMAR VERMA)**  
**PARTNER**  
**M. No. 427109**

**PLACE: BHILAI (C.G.)**

**DATE : 29.05.2017**

**SARTHAK METALS LIMITED**  
( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )  
BHILAI ( C.G.)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017**

Particulars	31st March 2017	31st March 2016
	₹	₹
Cash flow from operating activities		
Profit before tax from continuing operations	587.40	539.42
Profit before tax from discontinuing operations		
<b>Profit before tax</b>	<b>587.40</b>	<b>539.42</b>
Adjustment to reconcile profit before tax to net cash flows	-	-
Share of (profit)/ loss from investment in partnership firm	-	-
Depreciation/ amortization on continuing operations	100.82	99.10
Depreciation/ amortization on discontinuing operations	-	-
Impairment/ other write off on tangible/ intangible assets pertaining to continuing operation	-	-
Impairment/ other write off on tangible/ intangible assets pertaining to discontinuing operation	-	-
Loss/ (profit) on sale of fixed assets	-0.67	-
Provision for diminution in value of investments in subsidiary company	-	-
Provision for diminution in value of investments (current plus other long term)	-	-
Employee stock compensation expense	-	-
Unrealized foreign exchange loss	-	-
Premium on forward exchange contract amortized	-	-
Amortization of ancillary cost	-	-
Net (gain)/ loss on sale of current investments	-	-
Interest expense	337.83	278.16
Interest (income)	-	-
Dividend (income)	-	-
Operating profit before working capital changes	1025.38	916.68
Movements in working capital :		
Increase/ (decrease) in trade payables	19.99	-143.65
Increase / (decrease) in provisions	12.92	15.2
Increase / (decrease) in other current liabilities	76.71	8.11
Decrease / (increase) in trade receivables	-481.49	-25.25
Decrease / (increase) in inventories	54.58	7.62
Decrease / (increase) in loans and advances	-98.47	-108.19
Decrease / (increase) in other current assets	-	-
Cash generated from /(used in) operations	609.62	670.52
Direct taxes paid (net of refunds)	-199.28	-186.74
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>410.34</b>	<b>483.78</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	-225.09	-141.16
Proceeds from sale of fixed assets	3.67	-
Proceeds of non-current investments	-	-
Purchase of non-current investments	-	-
Purchase of current investments	-	-
Proceeds from sale/maturity of current investments	-	-
Investments in bank deposits (having original maturity of more than three months)	-	-
Redemption/ maturity of bank deposits (having original maturity of more than three months)	-	-
Purchase consideration for amalgamation	-	-
Interest received	-	-
Dividends received from subsidiary company	-	-
Dividends received	-	-



<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>( -221.42)</b>	<b>(-141.16)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of equity share capital (includes premium)	480	-
Proceeds from issuance of preference share capital	-	-
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	59.43	-29.61
Proceeds from short-term borrowings	348.35	-19.27
Repayment of short-term borrowings	-	-
Interest paid	-337.83	-278.16
Dividend paid on equity shares	-	-
Dividend paid on preference shares	-	-
Tax on equity dividend paid	-	-
Tax on preference dividend paid	-	-
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>549.95</b>	<b>-327.04</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>738.87</b>	<b>15.58</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	151.17	135.59
<b>Cash and cash equivalents at the end of the year</b>	<b>890.04</b>	<b>151.17</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3.82	4.31
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- on deposit account	886.22	146.86
- unpaid dividend accounts*	-	-
- unpaid matured deposits*	-	-
- unpaid matured debentures*	-	-
<b>Total cash and cash equivalents</b>	<b>890.04</b>	<b>151.17</b>

**Summary of significant accounting policies****1 & 2**

\* The company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid matured deposits and unpaidmatured debenture liabilities.

**THIS IS THE CASH FLOW STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF BOARD OF DIRECTOR OF SARTHAK METALS LTD.**

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

**Sd/-**  
**( MAYUR BHATT )**  
**WHOLE TIME DIRECTOR**  
**DIN - 07586457**

**PLACE: BHILAI**  
**DATE : 29.05.2017**

**AUDITORS' REPORT**  
**AS PER OUR REPORT OF EVEN DATE ANNEXED**  
**FOR B. VISHWANATH & CO.**  
**CHARTERED ACCOUNTANTS**  
**F.R.N. -007875C**

**Sd/-**  
**(RITESH KUMAR VERMA)**  
**PARTNER**  
**M. No. 427109**

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

**SARTHAK METALS LIMITED**

( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )

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

**1. Corporate Information**

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

**2. Basis of preparation**

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

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

**2.1 Summary of significant accounting policies****(a) Use of estimates**

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

**(b) Fixed assets**

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

The costs of tangible assets not ready for intended use before such date are disclosed under capital work-in-progress.

**(c) Intangible fixed assets**

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

**(d) Depreciation**

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

basis from the date the asset is ready to put to use.

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

(e) Impairment of tangible and intangible assets

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

(f) Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on FIFO basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials. Cost of finished goods includes excise duty. Cost is determined on FIFO basis.

Traded goods are valued at estimated cost based on the selling price of the stock, based on the past practice.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(g) Income Tax

Tax expense comprises current and deferred tax. Current tax is provided for on the taxable profits of the year at applicable tax rates. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(h) Revenue recognition

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

recognized:

#### Sale of traded goods

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

#### Other operating income

Revenue from other sources have been recognized on accrual basis.

#### Interest Income

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

### (I) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Longterm investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### (j) Foreign currency translation - Foreign currency transactions and balances

#### Initial recognition

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

#### Conversion

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

#### Exchange differences

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

### (k) Employee benefits

Salaries, wages and bonuses are accrued in the year in which the associated services are rendered by employees of the Company. Other employee benefits include provident fund, superannuation fund, gratuity fund,

compensated absences, long service awards and postemployment medical benefits. The Company's contribution to provident fund and superannuation fund are charged as an expense as they fall due based on the amount of contribution required to be made.

(i) Earnings Per Share

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

(m) Provisions

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

(n) Contingent liabilities

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

(o) Cash and cash equivalents

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

(p) Deferred Revenue Expenditure

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

(q) Segment Reporting

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

**SARTHAK METALS LIMITED**

( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )

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

**Note 3: Share capital**

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
(a) Authorised Share Capital				
Equity shares of ₹ 10/- each with voting rights	15,000,000	150,000,000.00	15,000,000	150,000,000.00
(b) Issued Share Capital				
Equity shares of ₹ 10/- each with voting rights	13,689,750	136,897,500.00	12,089,750	120,897,500.00
(c) Subscribed and fully paid up Share Capital				
Equity shares of ₹ 10/- each with voting rights	13,689,750	136,897,500.00	12,089,750	120,897,500.00
<b>Total</b>	<b>13,689,750</b>	<b>136,897,500.00</b>	<b>12,089,750</b>	<b>120,897,500.00</b>

Refer Notes (i) to (v) below

**(I) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue (IPO)/ Bonus	ESOP	Conversion	Closing Balance
Equity shares with voting rights					
Year ended 31 March, 2017					
- Number of shares	12,089,750	16,00,000	-	-	13,689,750
- Amount (₹)	120,897,500.00	16,000,000.00	-	-	136,897,500.00
Year ended 31 March, 2016					
- Number of shares	12,089,750	-	-	-	12,089,750
- Amount (₹)	120,897,500.00	-	-	-	120,897,500.00

**(II) Details of shares held by each shareholder holding more than 5% shares:****Equity shares with voting rights**

Class of shares / Name of shareholder		As at 31 March, 2017		As at 31 March, 2016	
S.No.	Particulars	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>A.</b>	<b>Directors</b>				
1	Shri Anoop Kumar Bansal	1,145,250	8.37	1,145,250	9.47
2	Shri Kishore Kumar Bansal	741,000	5.41	741,000	6.13
<b>B.</b>	<b>Relatives</b>				
	Shri Manoj Kumar Bansal	3,782,700	27.63	3,779,100	31.26
<b>C.</b>	<b>Others</b>				
1	Sarthak Energy Private Limited (Earlier known as Comet Technologies Private Limited)	1,250	Less than 5 %	1,613,250	13.34
2	Metal-Grace Injection Alloys Private Limited	900,000	6.57	900,000	7.44

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

SL. No.	Date of issue of Fully Paid up Bonus Shares	Number of Bonus Share issued
1	Friday, March 16, 2012	2048000
2	Friday, March 15, 2013	4011500
3	Saturday, March 22, 2014	4023250

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

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

**Note 4: Reserves and Surplus:**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
<b>(a) Securities Premium Account</b>		
Balance as per the last financial statements	11,391,000.00	11,391,000.00
Add: Premium on issue of Equity shares (IPO)	32,000,000.00	-
<b>Closing Balance [Sub -Total (a)]</b>	<b>43,391,000.00</b>	<b>11,391,000.00</b>
<b>(b) State Investment Capital Subsidy</b>		
Balance as per the last financial statements	500,000.00	500,000.00
Add: Received during the year	-	-
<b>Closing Balance [Sub -Total (b)]</b>	<b>500,000.00</b>	<b>500,000.00</b>
<b>(c) Surplus in the statement of profit and loss</b>		
Balance as per the last financial statements	106,461,073.61	71,481,695.28
Profit for the year	39,501,690.82	35,702,971.33
Less: Provision for Gratuity (Prior period)	-	(723,593.00)
<b>Closing balance [Sub -Total (c)]</b>	<b>145,962,764.43</b>	<b>106,461,073.61</b>
<b>Total (a+b+c)</b>	<b>189,853,764.43</b>	<b>18,352,073.61</b>

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

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Term Loans		
Term loan from State Bank of India (secured)	7,361,065.42	-
Vehicle loans from banks (secured)	2,684,956.90	2,279,957.00
<b>Total (a)</b>	<b>10,046,022.32</b>	<b>2,279,957.00</b>
Others		
Loans and advances from Related Parties repayable on demand (unsecured)	-	1,822,769.00
<b>Total (b)</b>	<b>-</b>	<b>1,822,769.00</b>
<b>Total (a+b)</b>	<b>10,046,022.32</b>	<b>4,102,726.00</b>

1. Term loan from State Bank of India was taken during the current financial year and carries effective interest @ 10.75% p.a. The loan is repayable in 35 monthly installments of from the date of loan with a moratorium period of four months. The loan is secured by hypothecation of plant and machinery of the Company. Further, the loan has been guaranteed by the personal guarantees of some of the directors of the Company.
2. Vehicle loans from banks is secured by hypothecation of respective vehicles of the Company.



**Note 6: Deferred Tax Liability**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Deferred tax (Asset) / Liability		
Tax effect of items constituting deferred tax liability		
Tax liability on account of timing difference between depreciation as per Companies Act, 2013 & Income Tax Act, 1961	1,651,200.93	1,244,932.93
<b>Net deferred tax liability</b>	<b>1,651,200.93</b>	<b>1,244,932.93</b>

**Note 7: Short-Term Borrowings:**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Cash Credit from State Bank of India (Secured)	153,238,482.90	149,168,254.53
Financing facility from Axis Bank (Secured)	70,099,999.79	52,161,597.42
Buyers' credit from State Bank of India (Secured)	39,058,786.02	26,232,096.00
<b>Total</b>	<b>262,397,268.71</b>	<b>227,561,947.95</b>

1. Cash credit and Buyers' Credit from State Bank of India is secured against leasehold land, factory land and commercial office complex in the name of the Company. The cash credit is repayable on demand and carries effective interest @ 12.05% p.a. Further, the credit has been guaranteed by the personal guarantee of the directors of the Company.
2. Financing facility from Axis Bank is secured against inventory of the Company. The loan is repayable on demand and carries effective interest @ 10.85% p.a.

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

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

**Note 8: Trade Payables**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Trade Payables:		
Other than Acceptances	3,451,869.89	1,451,887.49
<b>Total</b>	<b>3,451,869.89</b>	<b>1,451,887.49</b>

**Note 9: Short-Term Provisions**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Corporate Social Responsibility	653,210.00	766,009.00
Provision for Gratuity	137,741.00	100,327.00
Provision for Income Tax (Net of Advance Tax/ TDS/ TCS)	383,403.00	451,938.00
<b>Total</b>	<b>1,174,354.00</b>	<b>1,318,274.00</b>

**Note 10: Other Current Liabilities**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Current maturities of long-term borrowings		
- Term loan from State Bank of India (secured)	5,500,000.00	1,436,392.00
- Vehicle loans from banks (secured)	2,607,504.00	1,591,362.00
Security deposits		
- Security Deposit from Customers	3,034,203.00	2,865,703.00
- Lost Cylinders Deposits	157,042.00	157,042.00
Expenses Payables	1,428,285.00	1,043,337.00
Employee Related Payables	5,505,354.00	4,126,339.00
Service Tax Payable	3,239.37	10,158.00
Swachchha Bharat Cess Payable	115.68	-
Krishi Kalyan Cess Payable	115.70	-
TCS Payable	5,019.00	671.00
TDS Payable	1,345,926.28	946,782.00
Interest in Advances	1,129,426.00	866,675.00
<b>Total</b>	<b>20,716,230.03</b>	<b>13,044,461.00</b>

[illegible]

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

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

Assets	GROSS BLOCK			
	As on	Addition	Deletion	As on
	01.04.2016			31.03.2017
TANGIBLE ASSETS				
(a) Land				
Land Development	82,257.00	-	-	82,257.00
Factory Land Leasehold	98,149.00	-	-	98,149.00
Land (Hathkhoj), Bhilai	4,294,062.00	-	-	4,294,062.00
Land (Borai-Rasmada), Bhilai	8,772,196.00	-	-	8,772,196.00
Factory Land Leasehold (Bhilai)	871,304.00	-	-	871,304.00
(b) Buildings				
Owned				
In Bhilai	12,028,852.63	150,457.00	-	12,179,309.63
In Raipur	5,150,897.65	-	-	5,150,897.65
In Nagpur	3,303,825.00	-	-	3,303,825.00
(c) Plant, Machinery & Equipment				
Owned				
In Bhilai	26,023,284.60	15,981,070.60	-	42,004,355.20
In Raipur	21,347,386.20	30,277.00	-	21,377,663.20
In Nagpur	-	-	-	-
(d) Furniture and Fixtures				
Owned				
In Bhilai	812,386.00	11,221.00	-	823,607.00
In Raipur	2,215.00	-	-	2,215.00
In Nagpur	1,438,141.00	-	-	1,438,141.00
(e) Vehicles				
Owned				
In Bhilai	13,025,962.00	4,715,216.00	-	17,741,178.00
In Raipur	4,951,577.00		1,775,543.00	3,176,034.00
In Nagpur	87,000.00	-		

Accumulated Depreciation and Impairment				Net Block		
As on	On Assets	For the	Other	As on	As on	As on
01.04.2016	Sold	Year	Adj.	31.03.2017	31.03.2017	31.03.2016
-	-	-	-	-	82,257.00	82,257.00
-	-	-	-	-	98,149.00	98,149.00
-	-	-	-	-	4,294,062.00	4,294,062.00
-	-	-	-	-	8,772,196.00	8,772,196.00
-	-	-	-	-	871,304.00	871,304.00
5,521,947.60	-	540,694.00	-	6,062,641.60	6,116,668.03	6,506,905.03
2,214,146.98		278,500.00	-	2,492,646.98	2,658,250.67	2,936,750.67
857,940.00		119,074.00	-	977,014.00	2,326,811.00	2,445,885.00
16,452,603.78	-	2,977,327.00	-	19,429,930.78	22,574,424.42	9,570,680.82
14,732,150.22		1,249,693.00	-	15,981,843.22	5,395,819.98	6,615,235.98
-	-	-	-	-	-	-
529,565.00	-	81,647.00	-	611,212.00	212,395.00	282,821.00
2,104.00	-	-	-	2,104.00	111.00	111.00
1,086,413.00		115,219.00	-	1,201,632.00	236,509.00	351,728.00
7,928,893.00	-	2,689,870.00	-	10,618,761.00	7,122,417.00	5,097,071.00
4,062,155.00	1,475,551.00	194,860.00		2,781,464.00	394,570.00	889,422.00
48,857.00		10,301.00	-	59,158.00	27,842.00	38,143.00

(f) Office equipment				
Owned				
In Bhilai	1,116,953.00	282,416.95	-	1,399,369.95
In Raipur	119,100.00	30,000.00	-	149,100.00
In Nagpur	318,489.00	68,000.00	-	386,489.00
(g) Others				
Owned				
Gas Cylinders (Raipur)*	35,521,346.39	-	-	35,521,346.39
Total - Tangible Assets (A)	139,365,383.47	21,268,658.55	1,775,543.00	158,858,499.02
INTANGIBLE ASSETS				
Computer - ERP	-	3,984,473.00	-	3,984,473.00
Total - Intangible Assets (B)	-	3,984,473.00	-	3,984,473.00
CAPITAL WIP				
Capital WIP- ERP	3,984,473.00	-	3,984,473.00	-
Capital WIP- Factory Shed & Building	2,062,384.00	11,811,812.32	-	13,874,196.32
Capital WIP - Furnace	1,079,000.00	-	-	1,079,000.00
Capital WIP- Electrical Fittings	-	19,356.00	-	19,356.00
Capital WIP - Plant & Machinery	-	4,395,282.02	-	4,395,282.02
New unit purchased at Borai-Rasmada (Katyani Steels)	14,985,227.00	-	14,985,227.00	-
Total - Capital WIP (C)	22,111,084.00	16,226,450.34	18,969,700.00	19,367,834.34
Grand Total (A+B+C)	161,476,467.47	41,479,581.89	20,745,243.00	182,210,806.36
Previous year	147,360,148.47	14,116,321.00	-	161,476,467.47

844,452.00	-	175,132.00	-	1,019,584.00	379,785.95	272,501.00
113,144.00	-	-	-	113,144.00	35,956.00	5,956.00
272,766.00	-	38,391.00	-	311,157.00	75,332.00	45,723.00
26,038,853.00		830,668.00	-	26,869,521.00	8,651,825.39	9,482,493.39
80,705,990.58	1,475,551.00	9,301,376.00	-	88,531,813.58	70,326,685.44	58,659,392.89
-	-	780,879.00	-	780,879.00	3,203,594.00	-
-	-	780,879.00	-	780,879.00	3,203,594.00	-
-	-	-		-	-	3,984,473.00
-	-	-	-	-	13,874,196.32	2,062,384.00
-	-	-	-	-	1,079,000.00	1,079,000.00
					19,356.00	
					4,395,282.02	
-	-	-	-	-	-	14,985,227.00
-	-	-		-	19,367,834.34	22,111,084.00
80,705,990.58	1,475,551.00	10,082,255.00	-	89,312,692.58	92,898,113.78	80,770,476.89
70,795,718.58	9,910,270.00	-		80,705,990.58	80,770,476.89	-

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

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

**Note 12: Non-Current Investments**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Equity Shares in Sarthak Energy Private Limited	7,500,000.00	7,500,000.00
(250000 Equity shares of face value Rs 10/- each)		
Total	7,500,000.00	7,500,000.00

**Note 13: Inventories**

(Goods are valued at landed cost / estimated cost or market price whichever is lower)

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Raw materials	85,140,171.41	88,489,072.75
(b) Finished goods / WIP	13,906,696.58	17,841,869.60
(c) Consumable Goods, Stores and spares	733,801.57	120,000.00
(d) Others (Packing Goods etc.)	1,737,180.88	525,000.00
Total	101,517,850.44	106,975,942.35

**Note 14: Trade Receivables**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Debtors outstanding for a period exceeding Six month		
(a) Unsecured, Considered Good	4,042,618.93	50,268,244.25
<b>Sub - Total (a)</b>	<b>4,042,618.93</b>	<b>50,268,244.25</b>
(b) Other Trade Receivables		
Unsecured, Considered Good	293,691,963.82	199,316,478.72
<b>Sub - Total (b)</b>	<b>293,691,963.82</b>	<b>199,316,478.72</b>
<b>Total (a+b)</b>	<b>297,734,582.75</b>	<b>249,584,722.97</b>



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

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

**Note 15: Cash and Cash Equivalents**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
(a) Cash on hand	382,188.00	431,881.00
<b>(b) Balances with banks</b>		
– On current accounts	74,362,322.94	1,307,644.32
<b>(c) Other Bank Balances</b>		
– Margin money deposit	14,260,280.00	13,378,365.00
<b>Total (a+b+c)</b>	<b>89,004,790.94</b>	<b>15,117,890.32</b>

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

**Note 16: Short-Term Loans and Advances**

Particulars	As at 31 March, 2017	As at 31 March, 2016
	₹	₹
Security deposits (unsecured, considered good)		
- Security Deposits with government departments	4,707,083.00	1,823,357.00
- Security Deposits with vendors	213,196.00	213,196.00
Advances recoverable in cash or kind		
Unsecured, considered good	60,000.00	60,000.00
Other loans and advances (unsecured, considered good)		
Balances with statutory / government authorities		
- CENVAT Credit Receivable	29,797,093.71	11,049,211.48
- CST Appeal (2008-09)	220,685.00	220,685.00
- Income Tax Appeal (2011-12)	213,680.00	213,680.00
- Income Tax Refundable (FY. 2014-15)	212,947.00	212,947.00
- Sales Tax (Appeal 04-05) & (07-08)	18,840.00	18,840.00
- TDS Receivable	13,031.00	-
- Value Added Tax Receivable	579,347.19	382,559.69
Prepaid Expenses	302,220.30	47,808.00
Advances to employees	948,783.00	1,353,818.00
Deferred Revenue Expenditure (Preliminary expenses / IPO Issue expenses)	1,465,003.20	195,000.00
Others	-	13,114,017.28
<b>Total</b>	<b>38,751,909.40</b>	<b>28,905,119.45</b>

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

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

**Note 17: Revenue from Operations**

Sl. No.	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
(a)	Sale of products (Refer Note (i) below)	1,711,184,388.26	1,451,576,474.05
	Less : Value Added Tax	11,869,782.00	15,790,363.55
	Less : Central Sales Tax	20,923,961.00	16,864,776.00
	Less : Excise Duty	162,794,725.00	145,479,680.00
		1,515,595,920.26	1,273,441,654.50
(b)	Other operating revenues (Refer Note (ii) below)	6,187,880.05	4,256,289.42
<b>Total (a+b)</b>		<b>1,521,783,800.31</b>	<b>1,277,697,943.92</b>

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
(i)	Sale of products comprises:		
	Manufactured goods		
	Sales	1,298,898,363.89	1,193,269,846.50
	Sales (Consignment)	10,660,696.00	8,344,091.00
	Sales (Export)		57,199,953.00
	Sales (Wire Feeder machine)	-	339,551.00
	<b>Total - Sale of manufactured goods</b>	<b>1,505,897,041.39</b>	<b>1,259,153,441.50</b>
	Traded goods		
	Sales Trading	5,231,463.87	12,255,720.00
	<b>Total - Sale of traded goods</b>	<b>5,231,463.87</b>	<b>12,255,720.00</b>
	Sale of services		
	Service charges received	4,467,415.00	835,677.00
	Quality Incentives	-	1,196,816.00
	<b>Total - Sale of Services</b>	<b>4,467,415.00</b>	<b>2,032,493.00</b>
	<b>Total - Sale of products</b>	<b>1,515,595,920.26</b>	<b>1,273,441,654.50</b>
(ii)	Other operating revenues comprises:		
	Cylinder Charges (Maintenance & handling Charges,Rent)	911,672.02	557,812.42
	Sales ( Scrap )	3,841,558.00	2,146,131.00
	Sales ( Empty Drum )	1,420,650.03	1,536,346.00
	Cylinder Lost	14,000.00	16,000.00
	<b>Total - Other operating revenues</b>	<b>6,187,880.05</b>	<b>4,256,289.42</b>

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

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

**Note 18: Other Incomes**

Note	Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
		₹	₹
(a)	DIC Interest Subsidy	1,178,915.00	1,979,619.00
(b)	Duty Drawback received	1,416,774.00	505,603.00
(c)	Inter-set Income	2,225,274.00	1,068,816.00
(d)	Transport Delivery & Collection Charges	5,595,580.55	3,886,492.83
(e)	Profit on foreign currency transactions (Net)	5,122,924.93	2,001,367.86
(f)	P/L On Buyers Credit	1,417,148.00	-
(g)	Profit On Sale Of Assets	67,108.00	-
(h)	P/L On Consignment Sales	(68,981.00)	-
Total		16,954,743.48	9,441,898.69

**Note 19.a - Cost of Materials Consumed**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Opening stock	89,134,072.75	97,410,367.11
Add: Purchases & Expenses	1,281,412,353.06	1,095,297,555.17
	1,370,546,425.81	1,192,707,922.28
Less: Closing stock	87,611,153.86	89,134,072.75
<b>NET</b>	<b>1,282,935,271.95</b>	<b>1,103,573,849.53</b>
Material consumed comprises :		
Raw materials *	1,259,213,276.37	1,082,206,945.36
Consumable packing goods	21,453,968.89	19,392,911.17
Consumable spares & stores	2,268,026.69	1,973,993.00
<b>Total</b>	<b>1,282,935,271.95</b>	<b>1,103,573,849.53</b>

( \* Including value of Import On CIF Basis)

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

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

**Note 19.b - Purchase of Traded Goods**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Purchase (Oxygen & CO2)	1,083,600.02	665,954.00
Total	1,083,600.02	665,954.00

**Note 19.c - Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Inventories at the end of the year:		
Finished goods/WIP	13,906,696.58	17,841,869.60
Stock-in-trade	-	-
	13,906,696.58	17,841,869.60
Inventories at the beginning of the year:		-
Finished goods/WIP	17,841,869.60	10,327,737.32
Stock-in-trade	-	-
	17,841,869.60	10,327,737.32
Net (increase) / decrease	3,935,173.02	(7,514,132.28)

**Note 20 - Employee Benefits Expenses**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Salaries and wages	26,535,536.00	22,917,379.00
Director's Remuneration	9,400,000.00	10,800,000.00
Bonus	2,737,160.00	2,554,660.00
Gratuity expense	376,100.00	257,083.00
Leave salary	1,092,853.00	521,776.00
Contribution to Provident Fund & ESIC	1,142,852.00	901,515.00
Staff/Labour Welfare	611,316.00	391,695.00
Total	41,895,817.00	38,344,108.00

**Note 21 - Finance Costs**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Interest Expense on:		
(i) Borrowings		
(a) On Bank Loans	29,290,470.17	24,510,110.42
(b) Vehicle loans	141,358.15	469,130.00
(c) On LC/Buyers Credit facility	1,147,616.00	2,549,653.00
(d) On Unsecured Loans	324,618.00	-
Sub-Total (i)	30,904,062.32	27,528,893.42
(ii) Others		
Interest on other facilities	2,879,064.00	287,368.00
Total (i+ii)	33,783,126.32	27,816,261.42

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

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

**Note 22 - Other Expenses**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
	₹	₹
Audit fees	227,400.00	143,750.00
Bank /Processing Charges/commission	5,410,665.00	4,533,316.71
Business Promotion	234,905.00	166,961.00
CSR Expenditure	903,210.00	766,009.00
Calcium Management Expenses	12,287,128.00	-
Commission	1,295,820.00	2,264,643.00
Computer Expenses	257,569.00	157,346.00
Consignment Expenses	550,562.00	877,712.00
Consultancy / Professional Charges	1,095,051.00	2,250,676.00
Discount	254.72	200,587.00
Electricity Charges	13,904,911.68	10,850,452.00
L.D. Charges	322,948.00	-
Entry Tax	59,979.00	52,591.00
Gas Expenses	22,393.02	-
Excise Duty/ Service Tax	426,357.93	(34,057.00)
Insurance Expenses	1,913,705.22	1,506,607.00
Legal Charges	2,023,564.98	232,711.00
Loss on Dollars Hedging	(1,241,685.00)	1,348,355.00
Membership & Subscription Fees	298,975.00	99,179.00
Miscellaneous Expenses	847,851.28	404,260.67
Office & General Expenses	941,232.74	781,360.00
Oil & Lubricant Expenses	476,605.56	390,820.44
Printing & Stationery Expenses & Postage Expenses	574,829.04	456,171.50
Rate & Qty. Diff.	567,472.19	403,068.79
Repairs & Maintenance	2,358,621.53	2,327,243.00

Security Expenses	985,049.54	870,216.00
Service Charges	2,054,569.00	1,146,388.00
Swachchha Bharat Cess	159,026.28	-
Telephone Expenses	473,742.79	479,468.50
Testing Charges	702,300.00	562,295.00
Transportation Charges	50,665,885.65	16,446,670.00
Travelling & Conveyance Expenses	2,359,989.00	1,705,281.00
VAT Expenses	500.00	14,770.00
Vehicle Maintenance & Fuel Expenses	1,756,073.39	1,151,785.00
Property Tax	332,919.00	-
ERP Expenses	494,138.32	-
Corporation Tax	4,553.00	-
Professional Tax	17,500.00	-
Others	36,190.00	7,715,272.00
Total	105,802,762.86	60,271,908.61

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

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

**Notes:**

23. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

24 Contingent Liabilities (Not Provided For) in respect of:

Sl. No.	Particulars	31.03.2017	31.03.2016
		(Amt in ₹.)	(Amt in ₹)
(a)	Demand Raised By Income Tax Deptt.	-	294,270.00
(b)	Demand Raised By Commercial Tax Deptt.	-	786,850.00
	Less : Amount Paid For Appeals Preferred	-	220,685.00
	Net liability	-	566,165.00
(c)	Bank Guarantee/LC Outstanding	9,123,777.00	5,916,026.00
	Less : Margin Provided (STDR)	14,260,280.00	13,378,365.00
	Net liability	-	

25 State Capital Investment Subsidy of Rs. 500000/- had been received from DIC, Raipur vide letter no. DIC-R/FA/66 dated 11.06.98 in relation to Company's Oxygen Gas plant at Raipur.

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

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

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

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



## Nore: 29 Related Party Disclosures as per AS-18

I. The list of related parties as identified by the management is as under:

S. No.	Particulars	Name	Designation
1.	Key Management Personnel (KMP)/ Directors of the Company	a. Shri Anoop Kumar Bansal (KMP)	Managing Director
		b. Shri Kishore Kumar Bansal	Director
		c. Shri Sanjay Shah (KMP)	Whole Time Director
		d. Shri Anirudh Singhal (KMP)	CFO
		e. Shri Mayur Bhatt (KMP)	Whole Time Director
		f. Mr. Chetan Kumar	Director
		g. Mrs. Rama Kohli	Director
		h. CS. Brinda Sethi	Company Secretary till 31 March 2017
2.	Other related entities	a. Metal Grace Injection Alloys Pvt. Ltd.	
		b. Bansal Brothers	
		c. Shri D.R. Bansal (HUF)	
		d. Manoj Bansal HUF	
		e. Anoop Kumar Bansal HUF	
		f. Kishor Kumar Bansal HUF	
		g. M/s. Sarthak Energy Pvt.Ltd.	
3	Relatives of Key Management Personnel and Directors of the Company	a. Shri Manoj Kumar Bansal	
		b. Shri Samarth Bansal	
		c. Smt. Sakshi Bansal	
		d. Smt. Shalini Shah	
		e. Smt. Jaya Bhatt	

II. Transaction with the related party :

(Amt. in Rs.)

i.	Details of Transactions	Directors/KMP	Associates
	Remuneration	17,133,000.00	-
		(14,400,000.00)	-
	Purchase of Packing Material	-	193,173.13
		-	(123,654.00)
	Purchase of Consumable Stores	-	15,863.40
		-	(52,739.00)

	Transportation Expenses	-	-
		-	(45,500.00)
	Repair & Maintenance Expenses	-	162,422.10
		-	(3,985.00)
	Purchase of Raw Materials	-	83,590,517.17
		-	(82,248,233.00)
	Purchase of Fixed Assets	-	195,788.53
		-	(33,972.00)
	Sale of Goods	-	3,123,455.89
		-	(44,401,868.00)
	Interest on Unsecured Loans (Expenses)	-	324,618.00
		-	(287,368.00)
	Rent Paid (Expenses)	-	144,000.00
		-	(144,000.00)
ii.	Outstandings		
	Amount due from(Assets) as on 31.03.2017	-	-
		-	(40,036,280.00)
	Amount due to(Liabilities) as on 31.03.2017	-	-
		-	(1,822,769.00)

\*figures in bracket represents previous year figures

**Party wise transactions:**

S.No.	Party Name	Type of Transactions	Amount (₹)
1	Metal Grace Injection Alloys	Interest on unsecured Loan	324618
	Private Limited	Rent paid	144,000.00
2	M/s Bansal Brothers	Purchase of Packing Material	193,173.13
		Purchase of Consumable Stores	15,863.40
		Purchase of Raw Material	83,590,517.17
		Purchase of Fixed Assets	195,788.53
		Repair & Maintanance	162,422.10
		Sale of Goods	3,123,455.89

3	Shri Anoop Kumar Bansal	Director Remuneration	3,600,000.00
	Shri Kishore Kumar Bansal	Director Remuneration	1,500,000.00
	Shri Sanjay Shah	Director Remuneration	3,600,000.00
	Shri Mayur Bhatt	Director Remuneration	700,000.00
	Shri Anoop Kumar Bansal	Bonus	300,000.00
	Shri Kishore Kumar Bansal	Bonus	300,000.00
	Shri Sanjay Shah	Bonus	300,000.00
	Shri Anirudh Singhal	Remuneration	800,000.00
	Shri Manoj Kumar Bansal	Remuneration	3,900,000.00
	Shri Samarth Bansal	Remuneration	400,000.00
	Shri Sakshi Bansal	Remuneration	650,000.00
	Smt. Shalini Shah	Remuneration	648,000.00
	Smt. Jaya Bhatt	Remuneration	435000

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

For the period From 01-April-2016 to 31-March-2017  
Note 30 : Segment Reporting under AS - 17  
Information about Primary Business Segment

Sl. No.	Particulars	Cored Wire	
		F.Y. 2016-17	F.Y. 2015-16
A	Segment Revenue		
	External Revenue	1,677,978,039.22	1,411,082,958.36
	Inter Segment Revenue	-	
	Gross Turnover	1,677,978,039.22	1,411,082,958.36
	Less Excise Duty	162,794,725.00	145,479,680.00
	Net Turnover	1,515,183,314.22	1,265,603,278.36
B	Segment Result before Deferred Tax	44,004,044.55	37,902,314.98
	Less: Deferred tax	-	
	Profit After Deferred Tax	44,004,044.55	37,902,314.98
C	Other Information		
	Segment Assets	591,718,901.58	452,120,263.02
	Segment Liabilities	286,116,366.45	241,817,341.44
	Capital Expenditure during the year	41,351,304.89	12,031,840.00
	Depreciation & Amortization		
	Depreciation	7,245,549.00	6,420,155.00
	Amortization	480,000.80	130,000.00

Gas		Unallocable		Total	
F.Y. 2016-17	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2015-16
23,488,121.57	21,523,898.25	67,108.00	-	1,701,533,268.79	1,432,606,856.61
-	12,666.00	-	-	-	12,666.00
23,488,121.57	21,536,564.25	67,108.00	-	1,701,533,268.79	1,432,619,522.61
		-	-	162,794,725.00	145,479,680.00
23,488,121.57	21,536,564.25	67,108.00	-	1,538,738,543.79	1287139843
2,150,555.71	3,327,474.35	(6,246,640.50)	(5,962,217.00)	39,907,959.76	35,267,572.33
-	-	406,268.00	(435,399.00)	406,268.00	(435,399.00)
2,150,555.71	3,327,474.35	(6,652,908.50)	(5,526,818.00)	39,501,691.76	35702971.33
21,064,725.82	23,161,027.61	10,302,947.85	10,550,116.35	623,086,575.25	485,831,406.98
6,965,304.50	2,638,682.00	1,219,035.00	880,877.00	294,300,705.95	245,336,900.44
60,277.00	2,084,481.00	68,000.00	-	41,479,581.89	14,116,321.00
2,553,721.00	3,134,978.00	282,985.00	355,139.00	10,082,255.00	9,910,272.00
		-	-	480,000.80	130,000.00

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

Notes to financial statements for the year ended March 31, 2017  
Note 31: Employee Benefits Under AS-15

Employee benefits

A. Provident Fund Contribution

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined contribution plan. The contribution made by the Company during the year is Rs. 7,82,172/- (previous year: 6,18,377).

B. Gratuity\*

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

Amount to be recognised in the Statement of Profit and Loss

Description	For the year ended 31 March 2017	For the year ended 31 March 2016
	(₹)	(₹)
Current service cost	312,320.00	256,895.00
Interest cost	78,454.00	57,887.00
Net actuarial (gain) recognised during the year	(14,674.00)	(57,699.00)
	376,100.00	257,083.00

Amounts to be recognised in the Balance Sheet

Description	As at 31 March 2017	As at 31 March 2016
	(₹)	(₹)
Present value of the obligation at the end of the year	1,356,776.00	980,676.00
Fair value of plan assets at end of the year	-	-
Net liability recognised in balance sheet	1,356,776.00	980,676.00
Current portion	137,741.00	100,327.00
Non-current portion	1,219,035.00	880,349.00
	1,356,776.00	980,676.00

### Change in present value obligation

Description	For the year ended 31 March 2017	For the year ended 31 March 2016
	(₹)	(₹)
Present value of obligation as at the beginning of the year	980,676.00	723,593.00
Current service cost	312,320.00	256,895.00
Interest cost	78,454.00	57,887.00
Actuarial gain recognised during the year	(14,674.00)	(57,699.00)
Present value of obligation as at the end of the year		980,676.00

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

Description	As at 31 March 2017	As at 31 March 2016
Discounting rate (per annum)	7.54%	8.00%
Future salary increase (per annum)	10.00%	10.00%
Mortality	IALM 2006-08 ultimate	IALM 2006-08 ultimate
Withdrawal rate		
- upto 30 years (per annum)	5.00%	5.00%
- from 31 to 44 years (per annum)	3.00%	3.00%
- above 44 years (per annum)	2.00%	2.00%

### C. Compensated absences\*

Description	As at 31 March 2017	As at 31 March 2016
Discounting rate (per annum)	7.54%	8.00%
Future salary increase (per annum)	10.00%	10.00%
Mortality	IALM 2006-08 ultimate	IALM 2006-08 ultimate
Withdrawal rate		
- upto 30 years (per annum)	5.00%	5.00%
- from 31 to 44 years (per annum)	3.00%	3.00%
- above 44 years (per annum)	2.00%	2.00%

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

### 32: Accounting Standard 22 - Accounting for Taxes on Income

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

(Amount in Rs.)			
	Particulars	31.03.2017	31.03.2016
a.	Opening balance of DTL (on account of Time Difference)	1244932.93	1680331.93
b.	Depreciation as per Companies Act for the year	10,082,255.00	9910270
c.	Depreciation as per Income Tax Act for the year	11,311,023.00	8593393
d.	Time Difference (b-c)	(1,228,768.00)	1316877
e.	Tax Liability @ 33.063 % Liability/ Asset	(406,268.00)	435399
f.	Closing balance of DTL (on account of Time Difference)	1651200.93	1244932.93

### 33. Expenditure in Foreign Currency

(Amount in Rs.)

Particulars	2016-17	2015-16
	(in Rs.)	(in Rs.)
Foreign Tour Expenses (Exchange Purchase Cost)	1128787	961631

34: Raw-material Purchases & Expenses include cost of imported goods also.

35: Legal Expenses incurred for increase in authorised capital and IPO issue expenses and written off in five equal yearly installments.

### 36. As per AS-20, Calculation of EPS for the year ended:

Basic earnings per share are computed by dividing the net profit after tax for the year after prior period adjustments attributable to equity shareholders by the number of equity shares at the end of the year.

(Amount in Rs.)			
	Particulars	2017	2016
(a)	Net Profit as per P&L A/c	39501691.76	35702971.33
(b)	No. of Shares	13689750	12089750
	Basic & Diluted EPS	3.26	2.95

37 During the year the name of Company was changed to "Sarthak Metals Private Limited" from 'Sarthak Metal Marketing Private Limited' vide shareholders resolution passed at the Extra Ordinary General Meeting of the Company held on August 13, 2016. Further, pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting of the Company held on August 13, 2016, the Company was converted into a public limited company and accordingly the name of the Company was changed to "Sarthak Metals Limited".



38: Prior period adjustment includes the reversal of provision of CSR expenditure recognized in the previous year.

**39 Disclosure on Specified Bank Notes (SBNs)**

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

**(Amount in Rs.)**

<b>PARTICULARS</b>	<b>SBN</b>	<b>OTHER DENOMINATION NOTES</b>	<b>TOTAL</b>
Closing Cash in hand as on 08.11.2016	523,000.00	194,850.88	717,850.88
Add: Withdrawal from Bank accounts	-	799,000.00	799,000.00
Add: Receipts from the permitted transactions	-	493,614.06	493,614.06
Add: Receipts from the non-permitted transactions	-	-	-
Less: Paid for permitted transactions	-	1,002,021.00	1,002,021.00
Less: Paid for non-permitted transactions	-	-	-
Less: Deposited in bank accounts	523,000.00	350.00	523,350.00
Closing Balance as at 30/12/2016	-	485,093.94	485,093.94

**FOR AND ON BEHALF OF BOARD**

**Sd/-**

**( ANOOP KUMAR BANSAL )**

**MANAGING DIRECTOR**

**DIN - 01661844**

**Sd/-**

**( MAYUR BHATT )**

**WHOLE TIME DIRECTOR**

**DIN - 07586457**

**PLACE: BHILAI (C. G)**

**DATE : 29.05.2017**

**AUDITORS' REPORT**

**AS PER OUR REPORT OF EVEN DATE ANNEXED**

**FOR B. VISHWANATH & CO.**

**CHARTERED ACCOUNTANTS**

**F.R.N. -007875C**

**Sd/-**

**(RITESH KUMAR VERMA)**

**PARTNER**

**M. No. 427109**

**Sd/-**

**( ITIKA SINGHAL )**

**COMPANY SECRETARY**

## ATTENDANCE SLIP

### 22nd Annual General Meeting on Tuesday, The 1st August, 2017 at 11 A.M.

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

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

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

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

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 22nd Annual General Meeting of the Company on Tuesday, 1st August, 2017 at 11.A.M. at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011

\_\_\_\_\_

\_\_\_\_\_

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

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

\_\_\_\_\_

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

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

CIN: L51102CT1995PLC009772

**Name of the Company: SARTHAK METALS LIMITED**

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

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Clint Id:

DP ID:

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

1. Name: .....

2.. Name: .....

Address:

Address:

E-mail Id:

E-mail Id:

Signature: ....., or failing him

Signature: ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 22nd Annual General Meeting of members of the Company, to be held on Tuesday, 1st August, 2017 at the B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 registered office of the Company at 11 A. M., and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. ....

2. ....

3. ....

Signed this ..... day of..... 2017

Signature of Shareholder

Signature of Proxy holder(s)

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





NOTE

Horizontal lines for note content.



NOTE

Horizontal lines for note content.





## **SARTHAK METALS LIMITED**

CIN: L51102CT1995PLC009772

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