



**SARTHAK METALS LIMITED**

(Formerly : Sarthak Metals Marketing Private Limited)



# ANNUAL REPORT 2019-20



## BOARD OF DIRECTORS

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

## CHIEF FINANCIAL OFFICER

Mr. Anirudh Singhal

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Itika Singhal

## STATUTORY AUDITORS

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

## BANKERS

State Bank of India  
Axis Bank

## REGISTERED OFFICE

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

## REGISTRAR & TRANSFER AGENT

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

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

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

## ANNUAL GENERAL MEETING VENUE

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

## BOOK CLOSURE

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

## WEBSITE

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

# INDEX

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

## *Chairman's Message*

Dear Stakeholders,

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

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

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

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

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

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

sd/-

**ANOOP KUMAR BANSAL**

Managing Director

DIN: 01661844

Sarthak Metals Limited

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 25th Annual General Meeting of the members of **Sarthak Metals Limited** will be held on Wednesday, 9th September 2020 at 11:00 A.M. at the Registered office of the Company at B.B.C. Colony, Khursipar, G.E. Road, Bhilai, Chhattisgarh-490011 to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt Audited Financial statement for the year ended 31st March 2020 with all annexures and attachments thereto including the Auditor's Report and the Directors' Report.
2. To declare dividend on equity shares for the financial year 2019-20.
3. To appoint Mr. Kishore Kumar Bansal (DIN: 03067387), who retires by rotation and being eligible offers himself for re-appointment:

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

### SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Registered Office:**

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

Bhilai, Chhattisgarh-490011

CIN: L51102CT1995PLC009772

E-mail: cs@sarthakmetals.com, 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. 4,5,6,7 & 8 pursuant to section 102 of the Companies Act, 2013 read with section 110 of the Companies Act, 2013 setting out material facts are annexed herewith.
4. The attendance slip cum Proxy Form is placed at the end of this Annual Report.
5. Pursuant to the provision of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 2nd September 2020 to Wednesday, 9th September 2020. (both days inclusive).
6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting
7. As per the applicable provisions and rules thereunder any Dividend remaining unpaid and unclaimed at the end of 07th year thereafter shall be transferred to the Investor Education and Protection Fund (IEPF).
8. Members / Proxies attending the Meeting are requested to bring their copies of Annual Report together with attendance slip duly completed and signed along with Client ID and DP ID numbers.
9. Members seeking any information relating to Accounts are requested to write to the Company at least 10days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
10. The Ministry of Corporate Affairs has come out with a circular dated 29th April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore, you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in DEMAT through their respective Depository Participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise to the Company or Registrar and Transfer Agent.
11. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:

**Big Share Services Private limited**

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

12. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to the individual shareholder. The same should be availed through respective depository.
13. The Notice of 25th AGM along with the attendance slip and proxy form are being sent via electronic mode (to shareholders having their email IDs registered with the Company/Depository Participants) and in physical mode (to shareholders not having their email IDs registered with the Company/ Depository Participants).
14. The Company, being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 is not required to provide remote e-voting facility to its members.



## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

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

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

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

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

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

The Board recommends this resolution for your approval.

### Item No. 5

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

## DETAILS AS REQUIRED UNDER SCHEDULE V

### I. General Information:

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

(In Lakhs)

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

- Foreign Investments or collaboration if any: Not Applicable

## II. Information about the Appointee:

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

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

## III. Other Information:

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

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

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

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