

To
The Board of Directors
Sarthak Metals Limited
BBC Colony, Khursipar
G.E. Road, Bhilai
Dist. Durg (C.G.)
Pin Code : 490011

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying quarterly financial results of **Sarthak Metals Limited** (hereinafter referred to as "the Company") for the quarter ended December 31, 2021 and the year to date results for the period from April 1, 2021 to December 31, 2021, attached herewith (the "results") which are included in the accompanying 'Statement of Audited Financial Results for the Quarter and Nine Months ended December 31, 2021' (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the results:
 - i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter ended December 31, 2021 as well as the year to date results for the period from April 1, 2021 to December 31, 2021.

Basis for Opinion

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

Management's Responsibilities for the Financial Results

4. These results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the results that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

BEGANI & BEGANI

CHARTERED ACCOUNTANTS

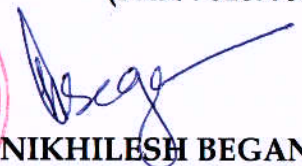
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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





(NIKHILESH BEGANI)
PARTNER
M.NO. 110603

DATE : 11.02.2022
PLACE : RAIPUR (C.G.)
UDIN : 22110603ABHOEC3915

SARTHAK METALS LIMITED
CIN : L51102CT1995PLC009772
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)
Statement of Profit and Loss for the Quarter ended and Nine Month Ended On 31st December 2021

(Rs. In Lakhs)

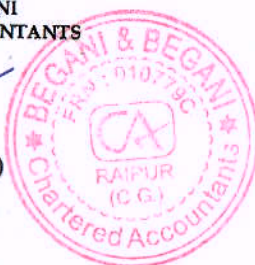
PARTICULARS	Qtr ended 31st December, 2021 Audited	Qtr ended 30th September, 2021 Audited	Quarter ended 31st December, 2020 Audited	9 months ended 31st December, 2021 Audited	9 Months ended 31st December, 2020 Audited	Year ended 31st March, 2021 Audited
Revenue from Operations	10,675.94	10,799.56	5,909.74	31,004.93	15,750.91	22,192.74
Other income	15.22	20.48	0.61	55.57	12.81	15.13
TOTAL INCOME (I)	10,691.16	10,820.04	5,910.36	31,060.50	15,763.73	22,207.87
EXPENSES						
Cost of Materials Consumed	8,884.81	8,863.43	4,499.64	25,447.84	13,105.89	18,461.04
Purchases of Stock-in-Trade	-	-	1.46	-	6.39	14.52
Changes in Inventories of finished goods, Stock-in-trade and work-in-progress	-188.80	201.07	115.44	72.29	-214.20	-470.49
Employee Benefits Expense	196.55	177.72	172.73	547.32	523.68	741.34
Finance Costs	102.39	102.42	68.52	291.53	250.15	329.99
Depreciation and Amortisation Expense	40.83	35.77	52.41	122.16	157.50	214.00
Other Expenses	698.54	792.94	501.76	2,333.70	1,265.70	1,862.59
Total Expenses (II)	9,734.32	10,173.35	5,411.95	28,814.83	15,095.12	21,153.00
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III)	956.84	646.69	498.41	2,245.66	668.61	1,054.88
Exceptional Items	-	-	-	266.61	-	-
PROFIT BEFORE TAX (I-IV)	956.84	646.69	498.41	2,512.27	668.61	1,054.88
Tax Expense						
(1) Current Tax	243.00	164.96	126.59	573.91	171.04	285.00
(2) Deferred Tax	5.07	-9.13	-0.74	-1.73	-7.91	-9.99
(3) Current taxes relating to earlier years	-	-	-	-	-	-
PROFIT FOR THE PERIOD	708.78	490.86	372.55	1,940.10	505.48	779.86
Other comprehensive income						
(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
- Remeasurement of defined benefit plans	2.91	2.91	2.91	8.74	8.74	11.66
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss	0.73	0.73	0.73	2.20	2.20	2.93
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	2.18	-	2.18	6.54	6.54	8.72
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	710.96	490.86	374.73	1,946.64	512.02	788.58
Earnings per Equity Share of Rs.100 Each						
Basic (in Rs)	5.19	3.60	2.74	14.22	3.74	5.78
Diluted (in Rs)	5.19	3.60	2.74	14.22	3.74	5.78

Notes

- 1) Previous period's figures have been regrouped / reclassified wherever necessary
- 2) The above results for the quarter and nine months ended December 31, 2021, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 11, 2022
- 3) The financial results of the Company have been audited by the Statutory Auditors and prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- 4) The Board of Directors on January 03, 2022 have considered and approved a payment of Interim Dividend of Re. 1 per share (at the rate of 10 percent) on each fully paid-up equity share of Rs. 10 each for the year ended 31st March 2022. This Interim dividend was paid on January 21, 2022.
- 5) Estimation of uncertainties relating to the global health pandemic from COVID-19: The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Company has, at the date of approval of the financial results, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial results may be different from that estimated as at the date of approval of these financial results.
- 6) The aforesaid Audited Financial Results will be uploaded on the company's website www.sarthakmetals.com and will be available on the website of BSE & NSE for the benefit of shareholders and investors.
- 7) The Company has Rs.25.61 Lac unrealised gains on foreign currency transactions as on 31st December 2021.
- 8) No Segment Reporting has been done because since 1st April 21, SML has no separate reportable segment divisions. The separate reportable segment has been sold in the last financial year. The Revenue of such reportable segments is reflecting in the Total sales of the company for the comparable periods. No separate classification for the same is deemed necessary as per IND AS 108, since SML does not own such reportable segment division during the current period for which the result is being reported.
- 9) During the Quarter ended 31st December 2021, NIL Investor complaints were received and attended.

For, BEGANI & BEGANI
 CHARTERED ACCOUNTANTS
 FRN: 010779C

(NIKHILESH BEGANI)
 PARTNER
 M. No. 110603
 PLACE: RAIPUR
 DATE: 11.02.2022
 UDIN :22110603ABHOEC3915



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(ANOO KUMAR BANSAL)
 DIRECTOR
 DIN:01661844

(MAYUR BHATT)
 DIRECTOR
 DIN:07586457

