

**BEGANI & BEGANI**  
**CHARTERED ACCOUNTANTS**  
GST NO.: 23AAEFB9798G1Z6, PAN: AAEFB9798G



To  
The Board of Directors  
Sarthak Metals Limited

We have audited the accompanying Statement of Audited Financial Results of **SARTHAK METALS LIMITED** ("the Company") for the half year ended 31<sup>st</sup> March 2020 and the year to date results for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified. These half yearly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with their cognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25/IND AS 34), prescribed, under section 133 of the Companies Act, 2013, read with relevant rules issued there under or by the Institute of Chartered Accountants of India; as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion

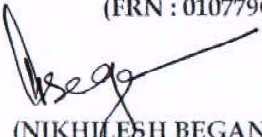
In our opinion and to the best of our information and according to the explanations given to us, these Half Yearly Financial Results as well as the Year to Date Results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India, of the net profit and other financial information of the Company for the half year and year ended on 31<sup>st</sup> March 2020.

The Statement includes the results for the period ended 31<sup>st</sup> March, 2020 being the balancing figures between audited figures in respect of the full financial year ended 31<sup>st</sup> March, 2020 and the published half year figures of the current financial year.

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



  
(**NIKHILESH BEGANI**)  
PARTNER  
M.NO. 110603

DATE : 22.06.2020  
PLACE : RAIPUR (C.G.)  
UDIN : 20110603AAAAAD9281

**SARTHAK METALS LIMITED**  
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)  
**BALANCE SHEET AS AT 31ST MARCH 2020**

		(Amounts in Lakhs)		
	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital		1,368.98	1,368.98
	(b) Reserves and surplus		3,247.88	2,868.07
	(c) Money received against share warrants		-	-
	<b>Total - Shareholder's Funds</b>		<b>4,616.86</b>	<b>4,237.05</b>
2	<b>Share application money pending allotment</b>		-	-
3	<b>Minority Interest</b>		-	-
4	<b>Non-current liabilities</b>			
	(a) Long-term borrowings		161.39	275.07
	(b) Deferred tax liabilities (Net)		17.10	12.59
	(c) Other Long term liabilities		-	-
	(d) Long-term provisions (Gratuity)		59.25	37.50
	<b>Total Non Current Liabilities</b>		<b>237.74</b>	<b>325.15</b>
5	<b>Current liabilities</b>			
	(a) Short-term borrowings		2,184.31	1,334.75
	(b) Trade payables		386.56	345.54
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		386.56	345.54
	(c) Other current liabilities		200.84	141.32
	(d) Short-term provisions		-	-
	<b>Total - Current Liabilities</b>		<b>2,771.72</b>	<b>3,821.60</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>7,626.31</b>	<b>8,383.80</b>
B.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) <b>Fixed assets</b>			
	(i) Tangible assets		1,445.31	1,378.21
	(ii) Intangible assets		7.16	11.80
	(iii) Capital work-in-progress		-	19.61
	(iv) Intangible assets under development		-	-
	(b) Goodwill on consolidation		-	-
	(c) Non-current investments		75.00	75.00
	(d) Deferred tax assets (net)		-	-
	(e) Long-term loans and advances		279.15	67.21
	(f) Other non-current assets		3.50	7.00
	<b>Sub - Total - Non Current Assets</b>		<b>1,810.12</b>	<b>1,558.83</b>
2	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories		2,193.38	2,604.54
	(c) Trade receivables		2,820.16	2,323.63
	(d) Cash and Cash equivalents		128.46	353.99
	(e) Short-term loans and advances		478.56	626.96
	(f) Other current assets		195.63	915.85
	<b>Sub - Total - Current Assets</b>		<b>5,816.19</b>	<b>6,824.97</b>
	<b>TOTAL ASSETS</b>		<b>7,626.31</b>	<b>8,383.80</b>

**Notes**

- 1) Previous period's figures have been re-grouped / re-classified wherever necessary
- 2) The above Financial statements for the Year ended 31.03.2020 have been taken on record by the audit committee & Board of Directors in their respective meeting held on 22.06.2020 and 22.06.2020
- 3) As per MCA notification dated 16th February 2015 companies whose shares are listed on SME exchange as referred to in chapter XB of SEBI (Issue of capital and disclosure requirements) Regulations 2009 are exempted from the compulsory requirement of adoption of IND-AS. As the company is covered under the exempted
- 4) Statement of Assets & Liabilities as on 31st March 2020 is enclosed.
- 5) The aforesaid Audited Financial Results will be uploaded on the company's website [www.sarthakmetals.com](http://www.sarthakmetals.com) and will be available on the website of BSE Limited for benefit of shareholders and investors.
- 6) The company has carried on more than one activity and therefore segment reporting is applicable to the company. The segment wise revenue, results, and capital employed is enclosed.
- 7) During the year ended 31st March 2020, NIL Investor complaints were received and attended.
- 8) The Company has Rs. 21.47 Lac unrealised gains on foreign currency transactions as on 31st March 2020.

For, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN: 010779C

(NIKHILESH BEGANI)  
PARTNER  
M. No. 110603  
PLACE: RAIPUR  
DATE: 22.06.2020  
UDIN : 20110603AAAAA139281



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

*(Signature)*  
UNOOP KUMAR BANSAL  
DIRECTOR  
DIN: 01661884

*(Signature)*  
(MAYUR BHATTI)  
DIRECTOR  
DIN: 07586457





**SARTHAK METALS LIMITED**  
(Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 01.04.2019 TO 31.03.2020**

(Amount in Lakhs)

	Particulars	Note No.	6 Months Ended 31.03.2020	Preceding 6 Months Ended 30.09.2019	Corresponding 6 months ended in the previous year 31.03.2019	For the year Ended 31.03.2020	Previous Year Ended on 31.03.2019
			Audited	Audited	Audited	Audited	Audited
1	Income from operations						
	Net Sales/Income From Operation		10,621.94	10,794.87	9,601.80	21,416.81	18,926.34
	Other Income		33.55	75.86	66.46	109.41	156.33
	Total Revenue		10,655.48	10,870.73	9,668.26	21,526.21	19,082.67
2	Expenses:						
	Cost of materials consumed		8,661.80	9,053.37	8,396.97	17,715.17	16,402.77
	Purchases of Stock-in-Trade		126.91	13.38	25.27	140.29	50.90
	Changes in inventories of finished goods work-in-progress and Stock-in-trade		(10.49)	245.98	(309.16)	235.49	(392.27)
	Employee benefits expense		471.45	392.60	314.41	864.05	545.67
	Depreciation and amortization expense		126.09	99.07	94.92	225.16	157.74
	Other expenses		868.83	831.42	812.27	1,700.25	1,506.88
	Total expenses		10,244.59	10,635.83	9,334.68	20,880.42	18,271.69
3	Profit before exceptional and extraordinary items and tax (1-2)		410.89	234.90	333.58	645.79	810.98
4	Exceptional items		(13.13)	17.55	-	4.42	5.63
5	Profit from ordinary activities after taxes (3-4)		424.02	217.35	333.58	641.37	805.35
6	Extraordinary items		-	-	-	-	-
7	Profit from ordinary activities before taxes (6-7)		424.02	217.35	333.58	641.37	805.35
8	Tax expense:						
	(1) Current tax		117.03	57.50	104.98	174.53	219.98
	(2) Deferred tax		0.79	3.72	26.70	4.51	9.02
9	Profit for the year from the continuing operations(7-8)		306.20	156.13	201.90	462.33	576.35
10	Profit/Loss for the year from the discontinuing operations		-	-	-	-	-
11	Tax expenses of discontinuing operations		-	-	-	-	-
12	Profit/Loss for the year from the discontinuing operations(After Tax)(10-11)		-	-	-	-	-
13	Profit For the period (9+11)		306.20	156.13	201.90	462.33	576.35
14	Earnings per equity share						
	(1) Basic		2.24	1.14	1.47	3.38	4.21
	(2) Diluted		2.24	1.14	1.47	3.38	4.21

For, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
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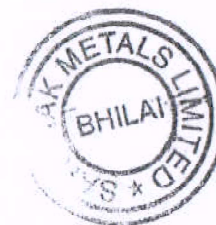
(NIKHILESH BEGANI)  
PARTNER  
M. No. 110603  
PLACE: RAIPUR  
DATE: 22.06.2020  
UDIN : 20110603AAAAAD9281



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(ANUP KUMAR BANSAL)  
DIRECTOR  
DIN:01661844

(MAYUR BHATT)  
DIRECTOR  
DIN:07586457



**SARTHAK METALS LIMITED**  
( Formerly Known as SARTHAK METALS MARKETING PRIVATE LIMITED )  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020**

(Amount Rs. In Lacs)

	PARTICULARS	Year ended 31.03.2020 (Rupees)	Year ended 31.03.2019 (Rupees)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before tax as per Profit	641.37	805.34
	Adjustment for :		
	Depreciation	225.16	157.74
	Interest (Net)	325.33	328.25
	Amortization Of Preliminary Exps	3.50	5.25
	Loss/ (profit) on sale of fixed assets	-	-
		<b>553.99</b>	<b>491.24</b>
	Operating Profit before Working	1,195.37	1,296.58
	Adjustment for :		
	Inventories	411.16	(1,049.37)
	Trade and other receivable	(496.53)	589.22
	Short Term Loans and Advances	148.40	(340.14)
	Short Term Provisions	-	(23.20)
	Long Term Loans and Advances	(211.94)	(6.64)
	Trade Payable	41.03	252.96
	Other Current Assets	720.22	(417.39)
	Long term Liabilities	21.75	15.80
	Other Current Liabilities	59.53	15.73
		<b>693.62</b>	<b>(963.03)</b>
	<b>Cash generated from Operations</b>	<b>1,888.99</b>	<b>333.56</b>
	Direct Taxes (Net)	(174.53)	(219.98)
	<b>Net Cash from Operating Activities</b>	<b>1,714.46</b>	<b>113.57</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Investment in Fixed Assets including Capital WIP	(318)	(1,127.73)
	Proceeds from sale/Subsidy of fixed assets	50	510.16
	Investment in Non Current Investments	-	-
	Interest Received	6.66	5.83
	<b>Net Cash used in Investing Activities</b>	<b>(261.35)</b>	<b>(611.74)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceed From Long Term Borrowing	(113.68)	47.30
	Proceed From Capital Investment Subsidy	-	-
	Other Short Term Borrowings	(1,150.44)	975.71
	Interest Paid	(331.99)	(334.08)
	Dividend Paid	(82.52)	-
	<b>Net Cash from financing Activities</b>	<b>(1,678.64)</b>	<b>688.93</b>
	<b>Net Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>(225.53)</b>	<b>190.76</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 01/04/2019 (as per Note-'13')</b>	<b>353.99</b>	<b>163.23</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 31/03/2020 (as per Note-'13')</b>	<b>128.46</b>	<b>353.99</b>
	<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>(225.53)</b>	<b>190.76</b>

**Notes:**

- (a) Cash and cash equivalent include the following :
- |   |               |               |
|---|---------------|---------------|
| Cash on Hand                                  | 6.73          | 5.23          |
| Balance with Banks (Including Fixed Deposits) | 121.34        | 348.77        |
|   | <b>128.07</b> | <b>353.99</b> |
- (b) Figures in brackets represent outflows.
- (c) Previous year figures have been recast/restated wherever necessary.

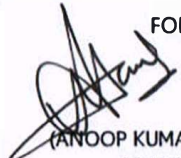
As per our Report of even date

For, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
FRN: 010779C

  
(NIKHILESH BEGANI)  
PARTNER

M. No. 110603  
PLACE : RAIPUR (C.G.)  
DATE : 22.06.2020  
UDIN:20110603AAAAAD9281

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
(ANOOP KUMAR BANSAL)  
DIRECTOR  
DIN:01661844

  
(MAYUR BHATT)  
DIRECTOR  
DIN:07586457



# SARTHAK METALS LIMITED

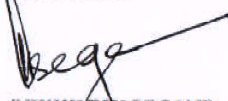
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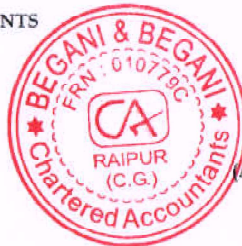
## Segment wise Revenue, Results and Capital Employed

(Amount in Lakhs)

Particulars	6 Months Ended 31.03.2020	Preceeding 6 Months Ended 30.09.2019	Corresponding 6 months ended in the previous year 31.03.2019	For the year Ended 31.03.2020	Previous Year Ended on 31.03.2019
	Audited	Audited	Audited	Audited	Audited
<b>1. Segment Revenue</b> (net sale/income from each segment should be disclosed under this head)					
(a)Segment - Cored Wire Division	10481.91	10648.04	9462.36	21129.95	18647.28
(b)Segment - Gas Division	140.03	146.83	139.44	286.86	279.06
Net sales/Income From Operations	10621.94	10794.87	9601.80	21416.81	18926.34
<b>2. Segment Results (Profit)(+) / Loss (-) before tax and interest</b>					
(a)Segment - Cored Wire Division	602.11	472.73	579.21	1074.84	1264.12
(b)Segment - Gas Division	1.24	4.30	-3.03	5.54	-6.58
Total	603.35	477.03	576.18	1080.38	1257.54
Less: i) Interest	138.36	224.20	211.47	362.56	387.25
Cored Wire Division	138.33	224.14	211.43	362.47	387.18
Gas Division	0.03	0.06	0.04	0.09	0.07
Less: ii) Other Un-allocable Expenditure net off	40.96	35.48	31.13	76.44	64.94
(iii) Un-allocable income	0.00	0.00	0.00	0.00	0.00
Total Profit Before Tax	424.02	217.35	333.58	641.37	805.35
<b>3. Capital Employed</b> (Segment assets - Segment Liabilities)					
(a)Segment - Cored Wire Division	4394.79	4526.75	4056.14	4394.79	4056.14
(b)Segment - Gas Division	183.08	126.40	130.23	183.08	130.23
Total	4577.88	4653.15	4186.37	4577.88	4186.37

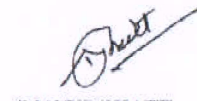
For, BEGANI & BEGANI  
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FRN: 010779C

  
(NIKHILESH BEGANI)  
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FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
(ANOOP KUMAR BANSAL)  
DIRECTOR  
DIN:01661844

  
(MAYUR BHATT)  
DIRECTOR  
DIN:07586457



## **Impact of COVID-19**

**Covid-19 Impact till 31<sup>st</sup> March 2020-** Our plant was closed from 25<sup>th</sup> March 2020 to 05<sup>th</sup> April 2020. The management was able to maintain continuity of operations, as the company's products are essentially required to run Steel Plants.

**Estimation of Covid-19 Impact for FY 2020-2021** – The impact on the company can be categorized in the following points:

**1. Continuity of operations** – The Company has been normally running since 05<sup>th</sup> April 2020. There have been no labor issues or breakdown issues due to Covid-19.

**2. Liquidity Position & Debt Service** – The Company has adequate cash reserves to maintain liquidity in these times. Company's debt service ratio is above 3 times. The Company has taken an additional facility offered by SBI under Covid-19 for Rs 2 Crores, which is around 8% of the total existing debt.

**3. Debtors Position** – The Company has not faced any issues in collection of debts till date and no provisioning is required to be done for the same.

**4. Purchase Costs** – Due to Covid-19 the Rupee has declined against Dollar. Since, the Company's maximum raw materials are imported the purchase cost of the raw material has increased. The gross margins have taken a hit due to the same.

**5. Supply Chain** – The Company has not faced any significant delays in receiving the raw materials. Thus, is able to cater to demand on timely basis. However, due to lower volumes the shipping lines have increased prices due to which the inward freight cost has increased hitting margins adversely.

**6. Demand** – The demand for steel in general has declined throughout the country due to low economic demand. Due to which the sales of the company has taken a hit by around 25%-30%. We expect the demand to stay low for the first two quarters of FY 20-21.

To summarize your company is in comfortable position to weather the Covid-19 storm from a liquidity & operations continuity standpoint. However, FY 20-21 we expect to see decline in sales and gross margins.