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ELEGANT QST 550D

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Deepak Kumar Agarwal, Managing Director
Mr. Ramabatar Agarwal, Director (resigned w.e.f., May 30, 2023)
Mr. Chander Khurana, Independent Director (resigned w.e.f., August 01, 2023)
Mr. Vikrant Ranjan, Non- Executive Director (appointed w.e.f., May 30, 2023)
Mrs. Priyanka Goenka, Independent Director
Mr. Ashok Kumar Sharma, Independent Director
Mr. Pranab Sarkar, Independent Director (appointed w.e.f., August 01, 2023)

CHIEF FINANCIAL OFFICER

Mr. Binod Kumar Agarwal

COMPANY SECRETARY

Mr. Ashutosh Sharma

BANKERS

Punjab National Bank
Indian Bank
Canara Bank
State Bank of India

STATUTORY AUDITORS

M/s. V. Singhi & Associates
Chartered Accountants
Four Mangoe Lane
Surendra Mohan Ghosh Sarani,
Kolkata – 700001

REGISTRAR & SHARE TRANSFER AGENT

M/S. Niche Technologies Pvt. Ltd
3A, Auckland Place, 7th Floor, Room No. 7A &
7B Kolkata-700017
Email- nichetechpl@nichetechpl.com

REGISTERED OFFICE

Diamond Prestige" 41 A, A.J.C Bose Road
7th Floor, Suite No 701 Kolkata-700001
CIN
L51909WB1981PLC034409

WEBSITE

www.spsgroup.co.in

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SPS STEELS ROLLING MILLS LIMITED

Diamond Prestige, 41A, A.J.C. Bose Road, 7th Floor, Suite No. 701, Kolkata – 700017

CIN: L51909WB1981PLC034409

E-mail: compliance@shakambhargroup.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **42nd Annual General Meeting** (AGM) of the members of **SPS STEELS ROLLING MILLS LIMITED** ("the Company") will be held on Thursday, September 24, 2024 at 10:30 A.M. Indian Standard Time (IST) at the Registered Office of the Company at Diamond Prestige, Suite No. 701, 7th Floor, 41A, A.J.C Bose Road, Kolkata-700017 to transact the following businesses:

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

- 1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 together with the reports of Auditors thereon and Board of Directors**

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered, and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2024, together with the report of Auditors thereon, be and are hereby received, considered, and adopted."

- 2. To re-appoint Mr. Vikrant Ranjan as a Director, liable to retire by rotation**

"RESOLVED THAT Mr. Vikrant Ranjan (DIN: 06954394), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

- 3. To ratify remuneration to be paid to M/s Sohan Lal Jalan & Associates, Cost Accountants as Cost Auditors of the Company for the financial year ending 2024-25.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, as approved by the Board upon recommendation of the Audit Committee, to be paid to M/s Sohan Lal Jalan & Associates, Cost Accountants (Firm registration no. 000521) as Cost Auditors of the Company for conducting the cost audit for financial year 2024-25, be and is hereby ratified, confirmed and approved."

4. To approve material related party transaction(s) with Shakambhari Ispat & Power Limited

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 provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into/ undertaking the transaction(s) by the Company with Shakambhari Ispat & Power Limited (a “Related Party” within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations):

- i. in relation to purchase/sale of iron ore, manganese ore, coke, dolomite, ferro alloys, sponge iron, wire rod, TMT Bar, slab/billets/blooms, coal/ coke/DRI/ pellets/pig iron/stores, spares and consumables/capital equipment/fixed assets/ by product and other allied steel products on requirement basis, availing of working capital loan/advances and providing and availing of services for conversion of products / materials, shared services and obtaining/rendering of lease on office space including transactions as set out in the explanatory statement to this Item, for the period beginning 01 April 2024 till 31 March 2025, and upto to a maximum aggregate value of INR 3,000 crores (Rupees Three Thousand Crores Only);

in the ordinary course of business of the Company and at arm’s length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Act and the rules made thereunder on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Shakambhari Ispat & Power Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

5. To approve material related party transaction(s) with Bravo Sponge Iron Private Limited

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 provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company, the Company’s Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into/ undertaking the transaction(s) by the Company with Bravo Sponge Iron Private Limited (a “Related Party” within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations):

- i. in relation to purchase/sale of iron ore, manganese ore, coke, dolomite, ferro alloys, sponge iron, wire rod, TMT Bar, slab/billets/blooms, coal/ coke/DRI/ pellets/pig iron/stores, spares and consumables/capital equipment/fixed assets/ by product and other allied steel products on requirement basis, availing of working capital loan/advances and providing and availing of services for conversion of products / materials, shared services and obtaining/rendering of lease on office space and use of brand owned by the Company by Bravo Sponge Iron Private Limited including transactions as set out in the explanatory statement to this Item, for the period beginning 01 April 2024 till 31 March 2025, and upto to a maximum aggregate value of INR 3,000 crores (Rupees Three Thousand Crores Only);

in the ordinary course of business of the Company and at arm’s length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Act and the rules made thereunder on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Bravo Sponge Iron Private Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

6. To approve material related party transaction(s) with Eloquent Steel Private Limited

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 provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“Act”) and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof, the

Memorandum and Articles of Association of the Company, the Company's Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into/ undertaking the transaction(s) by the Company with Eloquent Steel Private Limited (a "Related Party" within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations):

- i. in relation to purchase/sale of iron ore, manganese ore, coke, dolomite, ferro alloys, sponge iron, wire rod, TMT Bar, slab/billets/blooms, coal/ coke/DRI/ pellets/pig iron/stores, spares and consumables/capital equipment/fixed assets/ by product and other allied steel products on requirement basis, availing of working capital loan/advances and providing and availing of services for conversion of products / materials, shared services and obtaining/rendering of lease on office space and use of brand owned by the Company by Eloquent Steel Private Limited including transactions as set out in the explanatory statement to this Item, for the period beginning 01 April 2024 till 31 March 2025, and upto to a maximum aggregate value of INR 3,000 crores (Rupees Three Thousand Crores Only);

in the ordinary course of business of the Company and at arm's length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Act and the rules made thereunder on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Eloquent Steel Private Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

7. To approve material related party transaction(s) with Ess Dee Aluminium Limited

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 provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") and the rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), other applicable statutory provisions and regulations, if any, as amended from time to time including any statutory modification(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company, the Company's Policy on Related Party Transactions, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company and subject to such other necessary registrations, consents, permissions, approvals and sanctions required, if any, from any authorities under any laws or regulations or guidelines, approval of the Members of the Company be and is hereby accorded for entering into/ undertaking the transaction(s) by the Company with Ess Dee Aluminium Limited (a "Related Party" within

the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations):

- ii. in relation to purchase/sale of iron ore, manganese ore, coke, dolomite, ferro alloys, sponge iron, wire rod, TMT Bar, slab/billets/blooms, coal/ coke/DRI/ pellets/pig iron/stores, spares and consumables/capital equipment/fixed assets/ by product and other allied steel products on requirement basis, availing of working capital loan/advances and providing and availing of services for conversion of products / materials, shared services and obtaining/rendering of lease on office space including transactions as set out in the explanatory statement to this Item, for the period beginning 01 April 2024 till 31 March 2025, and upto to a maximum aggregate value of INR 3,000 crores (Rupees Three Thousand Crores Only);

in the ordinary course of business of the Company and at arm's length basis in accordance with the provisions of Section 177, 188 and other applicable provisions, if any, of the Act and the rules made thereunder on such terms and conditions as detailed in the explanatory statement to this Resolution, and as may be mutually agreed between the Company and Ess Dee Aluminium Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company."

8. To re-appoint Mr. Deepak Kumar Agarwal (DIN: 00646153) as Managing Director

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Deepak Kumar Agarwal (DIN: 00646153) as Managing Director of the Company for a period of 5 (Five) years with effect from 24th August, 2024 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment including remuneration in such manner as may be agreed between the Board of Directors and Mr. Deepak Kumar Agarwal.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

Date: August 24, 2024
Place: Kolkata

Ashutosh Sharma
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. NO PHOTOCOPY/ SCANNED COPY OF A COMPLETED PROXY FORM WILL BE ACCEPTED.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a person holding more than 10% of the total share capital of the Company is proposed to be appointed as a proxy for a member, such person shall not act as proxy for any other person or shareholder.
3. Information regarding appointment/reappointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 ("the Act") and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
4. Members are requested to notify immediately any change in their addresses to the Company's RTA.
5. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. In view of the 'Green Initiatives in Corporate Governance' introduced by MCA and in terms of the provisions of the Act, members who are holding shares of the Company in physical mode, are required to register their email addresses, so as to enable the Company to send all notices/ reports/ documents/ intimations and other correspondences, etc., through emails in the electronic mode instead of receiving physical copies of the same. Members holding shares in dematerialized form, who have not registered their email addresses with Depository Participant(s), are requested to register/update their email addresses with their Depository Participant(s).
8. In line with the Ministry of Corporate Affairs Circulars, the Notice calling the AGM along with Annual Report for Financial year 2023-24 has been uploaded on the website of the Company at www.spsgroup.co.in. The Notice & Annual Report can also be accessed from the websites of the Stock Exchanges i.e., The Calcutta Stock Exchange Limited at www.cse-india.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com.
9. The Register of members and share transfer books of the Company will remain closed from Wednesday, September 18, 2024 to Tuesday, September 24, 2024 (both days inclusive) for the purpose of AGM.

10. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
11. In terms of Section 72 of the Act, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection at the AGM.
13. Process and manner for Members opting for voting through electronic means:
 - i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL"), as the Authorised e-Voting agency for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by Members using remote e-voting will be provided by NSDL.
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e., Tuesday, September 17, 2024, shall be entitled to avail the facility of remote e-voting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - iii. A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e., Tuesday, September 17, 2024, shall be entitled to exercise his/her vote either electronically i.e., remote e-voting by following the procedure mentioned in this part.
 - iv. The remote e-voting will commence on Saturday, September 21, 2024 at 9.00 a.m. and will end on Monday, September 23, 2024 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical mode or in demat mode as on the Cut-off date i.e., Tuesday, September 17, 2024 may cast their vote electronically. The Members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
 - v. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

- vi. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e., Tuesday, September 17, 2024.
- vii. The Company has appointed CS Ankita Dalmia, Practising Company Secretary (Membership No. ACS: 67299; CP No: 25664), to act as the Scrutinizer for remote e-voting as well as voting at the AGM, in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on September 21, 2024 at 09:00 A.M. and ends on September 23, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 17, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 17, 2024.

Process to cast votes through remote e-voting:

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

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:


Step 1: Access to NSDL e-Voting system

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

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the " Beneficial Owner " icon under " Login " which is available under ' IDeAS ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " Access to e-Voting " under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select " Register Online for IDeAS

	<p>Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <ol style="list-style-type: none"> 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="724 913 1228 1160" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the

	user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID

	For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to secretarialwork.da97@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022- 4886 7000 or send a request to Ms. Pallavi Mhatre , Senior Manager at evoting@nsdl.com.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to compliance@shakambhargroup.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account

statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to compliance@shakambhargroup.in If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In case of any queries or issues regarding e-Voting from the NSDL e-Voting System, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

ITEM NO.- 3

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Sohan Lal Jalan & Associates, Cost Accountants to conduct the audit of cost records of the Company for the financial year ending March 31, 2025.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Your Board recommends Ordinary Resolution set out at Item No. 3 of the Notice for approval of shareholders.

ITEM NO.- 4,5,6 & 7

Background

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the audit committee, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Effective from April 1, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) Rs. 1,000 crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2024-25, the Company, along with its subsidiary(ies), propose to enter into certain related party transaction(s) as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company, either directly or along with its subsidiary(ies). All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee has, on the basis of relevant details provided by the management, as required by the law, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transactions shall be on arms' length basis and in the ordinary course of business of the Company.

Your Board of Directors considered the same and recommends passing of the resolutions contained in Item Nos. 4, 5, 6 and 7 of this Notice.

Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November, 2021 is provided herein below:

Material Related Party Transactions by the Company

A. Resolution Item No. 4:

Particulars of material related party transactions to be entered by SPS Steels Rolling Mills Limited with Shakambhari Ispat & Power Limited

Sr.No.	Particulars	Details
i.	Name of the Related Party	Shakambhari Ispat & Power Limited
ii.	Type of transaction	<p>The Company undertakes/proposes to undertake the following transactions with Shakambhari Ispat & Power Limited</p> <ul style="list-style-type: none"> • Purchase of iron ore, coke, anthracite coal/ coke breeze, coal, ferro alloys, PCI Coal and Corex fines and other raw materials, capital equipments/fixed assets, stores and spares, consumables, by-products, steel and allied steel products and consumables; • Sale of raw materials, coal, DRI, ferro alloys, pellets, steel, slabs and other allied steel products including by-products, equipments/fixed assets, consumables, stores and spares. • Use of the any brand name owned (Example: Thermocon) by Shakambhari Ispat & Power Limited by the Company) and the use of the any brand name owned (Example: Elegant) by the Company by Shakambhari Ispat & Power Limited • Availing or providing services, shared services, entering agreements for lease or leave and license for premises, providing/receiving services for conversion of products/materials on job work contract or such other services. • Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis • Sharing or usage of each other's resources and reimbursement • Any transfer of resources, services, or obligations to meet its objectives/requirements

iii.	Material terms and particulars of the proposed transaction	Material terms and conditions are / will be based on the contract(s) entered / proposed to be entered into, which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Shakambhari Ispat & Power Limited is an entity under common control with the Company.
v.	Tenure of the proposed transaction	During the financial year 2024-25
vi.	Value of the proposed transaction	Not to exceed Rs. 3000 crores
vii.	Value of RPT as % of – • Company's audited consolidated annual turnover of Rs. 2054.79 Crores for the financial year 2023-2024. • Subsidiary's annual standalone turnover for the financial year 2023-24.	Approx. 146%. Not Applicable
viii.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	a) Details of financial Indebtedness incurred	None
	b) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	c) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	d) Justification as to why the RPT is in the interest of the Company	Refer No. 2 - Justification for entering into these related party transactions;
	e) Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
	f) Any other information relevant or important for the members to take a decision on the proposed transaction	None

B. Resolution Item No. 5:

Particulars of material related party transactions to be entered by SPS Steels Rolling Mills Limited with Bravo Sponge Iron Private Limited.

Sr.No.	Particulars	Details
i.	Name of the Related Party	Bravo Sponge Iron Private Limited
ii.	Type of transaction	The Company undertakes/proposes to undertake the following transactions with Bravo Sponge Iron Private Limited <ul style="list-style-type: none"> • Purchase of iron ore, coke, anthracite coal/ coke breeze, coal, ferro alloys, PCI Coal and Corex fines and other raw materials, capital equipment's/fixed

		<p>assets, stores and spares, consumables, by-products, steel and allied steel products and consumables;</p> <ul style="list-style-type: none"> • Sale of raw materials, coal, DRI, ferro alloys, pellets, steel, slabs and other allied steel products including by-products, equipment's/fixed assets, consumables, stores and spares. • Use of any Brand owned by SPS Steels Rolling Mills Limited • Availing or providing services, shared services, entering agreements for lease or leave and license for premises, providing/receiving services for conversion of products/materials on job work contract or such other services. • Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis • Sharing or usage of each other's resources and reimbursement • Any transfer of resources, services, or obligations to meet its objectives / requirements
iii.	Material terms and particulars of the proposed transaction	Material terms and conditions are / will be based on the contract(s) entered / proposed to be entered into, which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Bravo Sponge Iron Private Limited is an entity under common control with the Company.
v.	Tenure of the proposed transaction	During the financial year 2024-25
vi.	Value of the proposed transaction	Not to exceed Rs. 3000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> • Company's audited consolidated annual turnover of Rs. 2054.79 Crores for the financial year 2023-2024. • Subsidiary's annual standalone turnover for the financial year 2023-24. 	<p>Approx. 146%.</p> <p>Not Applicable</p>
viii.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	a) Details of financial Indebtedness incurred	None
	b) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.

	secured or unsecured; if secured, the nature of security	
	c) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	d) Justification as to why the RPT is in the interest of the Company	Refer No. 2 - Justification for entering into these related party transactions;
	e) Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
	f) Any other information relevant or important for the members to take a decision on the proposed transaction	None

C. Resolution Item No. 6:

Particulars of material related party transactions to be entered by SPS Steels Rolling Mills Limited with Eloquent Steel Private Limited.

Sr.No	Particulars	Details
i.	Name of the Related Party	Eloquent Steel Private Limited
ii.	Type of transaction	<p>The Company undertakes/proposes to undertake the following transactions with Eloquent Steel Private Limited</p> <ul style="list-style-type: none"> • Purchase of iron ore, coke, anthracite coal/ coke breeze, coal, ferro alloys, PCI Coal and Corex fines and other raw materials, capital equipments/fixed assets, stores and spares, consumables, by-products, steel and allied steel products and consumables; • Sale of raw materials, coal, DRI, ferro alloys, pellets, steel, slabs and other allied steel products including by-products, equipments/fixed assets, consumables, stores and spares. • Use of any Brand owned by SPS Steels Rolling Mills Limited • Availing or providing services, shared services, entering agreements for lease or leave and license for premises, providing/receiving services for conversion of products/materials on job work contract or such other services. • Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis

		<ul style="list-style-type: none"> Sharing or usage of each other's resources and reimbursement Any transfer of resources, services, or obligations to meet its objectives /requirements
iii.	Material terms and particulars of the proposed transaction	Material terms and conditions are / will be based on the contract(s) entered / proposed to be entered into, which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Eloquent Steel Private Limited is an entity under common control with the Company.
v.	Tenure of the proposed transaction	During the financial year 2024-25
vi.	Value of the proposed transaction	Not to exceed Rs. 3000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> Company's audited consolidated annual turnover of Rs. 2054.79 Crores for the financial year 2023-2024. Subsidiary's annual standalone turnover for the financial year 2023-24. 	<p>Approx. 146%.</p> <p>Not Applicable</p>
viii.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	a) Details of financial Indebtedness incurred	None
	b) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	c) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	d) Justification as to why the RPT is in the interest of the Company	Refer No. 2 - Justification for entering into these related party transactions;
	e) Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
	f) Any other information relevant or important for the members to take a decision on the proposed transaction	None

D. Resolution Item No. 7:

Particulars of material related party transactions to be entered by SPS Steels Rolling Mills Limited with Ess Dee Aluminium Limited.

Sr.No	Particulars	Details
i.	Name of the Related Party	Ess Dee Aluminium Limited
ii.	Type of transaction	The Company undertakes/proposes to undertake the following transactions with Ess Dee Aluminium Limited

		<ul style="list-style-type: none"> • Purchase of iron ore, coke, anthracite coal/ coke breeze, coal, ferro alloys, PCI Coal and Corex fines and other raw materials, capital equipments/fixed assets, stores and spares, consumables, by-products, steel and allied steel products and consumables; • Sale of raw materials, coal, DRI, ferro alloys, pellets, steel, slabs and other allied steel products including by-products, equipments/fixed assets, consumables, stores and spares. • Use of any Brand owned by SPS Steels Rolling Mills Limited • Availing or providing services, shared services, entering agreements for lease or leave and license for premises, providing/receiving services for conversion of products/materials on job work contract or such other services. • Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis • Sharing or usage of each other's resources and reimbursement • Any transfer of resources, services, or obligations to meet its objectives /requirements
iii.	Material terms and particulars of the proposed transaction	Material terms and conditions are / will be based on the contract(s) entered / proposed to be entered into, which inter alia include the rates based on prevailing/ extant market conditions and commercial terms as on the date of entering into the contract(s).
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Ess Dee Aluminium Limited is an entity under common control with the Company.
v.	Tenure of the proposed transaction	During the financial year 2024-25
vi.	Value of the proposed transaction	Not to exceed Rs. 3000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> • Company's audited consolidated annual turnover of Rs. 2054.79 Crores for the financial year 2023-2024. • Subsidiary's annual standalone turnover for the financial year 2023-24. 	<p>Approx. 146%.</p> <p>Not Applicable</p>
viii.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary:	

	g) Details of financial Indebtedness incurred	None
	h) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	i) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Refer No. 1 - Providing and Obtaining Financial Assistance by the Company.
	j) Justification as to why the RPT is in the interest of the Company	Refer No. 2 - Justification for entering into these related party transactions;
	k) Copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
	l) Any other information relevant or important for the members to take a decision on the proposed transaction	None

Note 1: Providing and Obtaining Financial Assistance by the Company

The Company on its own is growing organically and inorganically and, in this pursuit, it is exploring opportunities including acquiring iron & steels plants and developing projects. For funding of these projects / requirements and any cashflow mismatch, the Company may, in its ordinary course of business, require borrowing / Corporate Guarantee from various entities of Shakambhari Group. The terms of borrowing including interest rates will be in line with the market conditions prevailing at the time of borrowing and on arm's length basis.

The Company, being a flagship entity and incubator of Shakambhari Group, and extend financial assistance to various entities of Shakambhari Group on need basis, in form of corporate guarantee/ revolving interest bearing inter corporate deposits/ loans/ advances. In a similar manner, the Company may also seek financial assistance from other entities of Shakambhari Group for business purposes.

The financial assistance will be utilised by the borrowing entity(ies) for its business purposes including expansion, working capital requirements and other business purposes.

The financial assistance would be unsecured with repayment over a period of one - five years from date of disbursement; however, the borrowing entity may have the right to make pre-payment, without any pre-payment penalty during the tenor of relevant financial assistance.

The financial assistance will carry interest at appropriate market rate prevailing at the time of disbursement and may vary depending upon the credit profile of the borrowing entity(ies).

Note 2: The following is the justification for entering into these related party transactions;

Our company, SPS Steels Rolling Mills Limited, operates in the Steel & Iron industry, specializing in the manufacture of T.M.T Rods under the brand name "Elegant." Our products, known for their good quality and high durability, have a significant market demand both locally and in other states. The key raw materials required for our production process include ferro alloys, pig iron,

iron ore sponge fines, silico manganese, ferro silicon, billets, pellet sponge, ferro manganese, non-coking coal, MS pipes, and other related raw materials.

Within the Shakambhari Group, several entities, namely Shakambhari Ispat & Power Limited, Bravo Sponge Iron Private Limited, Eloquent Steel Private Limited, and others, act as procurement agencies for raw materials on behalf of our company and related parties. As these entities are also involved in the Steel & Iron business, they serve as sources for the same commodities that our company requires. By conducting related party transactions, we can benefit from their larger procurement volumes and negotiate better prices for our relatively smaller volumes, ensuring cost optimization and efficient purchasing of quality raw materials.

Furthermore, engaging in related party transactions allows us to enter into long-term contracts with service providers for the transportation of key raw materials, thereby optimizing logistics costs. The strong market presence of Shakambhari Ispat & Power Limited, Bravo Sponge Iron Private Limited, Eloquent Steel Private Limited, and other entities within the Shakambhari Group provides us with a competitive advantage in selling our finished products at a larger volume and at competitive pricing in both regional and other state markets.

In addition to the procurement of raw materials, we also enter into related party transactions with Shakambhari Ispat & Power Limited, Bravo Sponge Iron Private Limited, Eloquent Steel Private Limited, and other entities within the Shakambhari Group for various business auxiliary services, property leasing, and the use of their brands. These transactions are conducted in the ordinary course of business and are necessary for seamless operations and the assurance of quality and quantity of materials.

The transactions between our company and the entities within the Shakambhari Group also serve to fulfil our business requirements and expand our presence across India. We have a mutual benefit from these transactions, which enable us to maintain continuity in working capital for our operations. To ensure transparency and fair dealings, we propose to avail borrowings from and provide loans to Shakambhari Ispat & Power Limited, Bravo Sponge Iron Private Limited, Eloquent Steel Private Limited, and other entities within the Shakambhari Group on an arms' length basis and as part of our normal business operations.

ITEM NO.- 8

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has reappointed Mr. Deepak Kumar Agarwal as the Managing Director of the Company for a period of 5 (Five) years w.e.f. 24th August, 2024, subject to approval of the members in General Meeting upon terms and conditions set out in the draft agreement to be entered into by the Company with him as approved by the Board of Directors. Mr. Deepak Kumar Agarwal visionary guidance has been instrumental in driving company's remarkable growth. Throughout his tenure, including the challenging times presented by the COVID-19 pandemic, he has exhibited exceptional leadership skills and a steadfast commitment towards Company's progress. Under his astute leadership, the Company has achieved steady growth, marked by consistent expansion, strategic initiatives, and a relentless pursuit of excellence. His ability to navigate through uncertainties and make well-informed decisions has ensured the sustainability of Company's operations. It would be therefore in the interest of the Company to re-appoint Mr. Deepak Kumar Agarwal as Managing Director of the Company.

The material terms and conditions of the said draft Agreement are as under:

- 1. Period of Agreement:** 24th August, 2024 to 23rd August, 2029
- 2. Remuneration:** Rs. 25,00,000/- Per month with a power to the Board to give one or more annual increment. Perquisites and allowances together with the salary payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.
- 3.** No sitting fees shall be payable to him for attending the meeting of the Board of Directors or Committee thereof.
- 4.** Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 90 days' notice in writing in that behalf without the necessity of showing any cause and on expiry of the period of such notice, this Agreement shall stand terminated and Managing Director shall cease to be the Managing Director of the Company. The said notice period of 90 days may be waived mutually.
- 5.** The terms and conditions of the said appointment herein and/or agreement may be altered and varied by the Board of Directors from time to time at its discretion as it may deem fit so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, or any other amendments made hereafter in that regard.
- 6.** The other terms and conditions of the agreement are such as are customarily contained in the agreement of similar nature.
- 7.** The said re-appointment / agreement including the remuneration payable to him, is subject to the approval of the members and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/ approved.

Your directors recommend the resolution at Item No. 8 of the Notice for your approval.

Mr. Deepak Kumar Agarwal is interested in the said resolution as it pertains to his own re-appointment.

None of the other Directors, Key Managerial Personnels of the Company and their relatives are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

**Details of Directors seeking appointment/reappointment
[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations
2015 and Secretarial Standard – 2]**

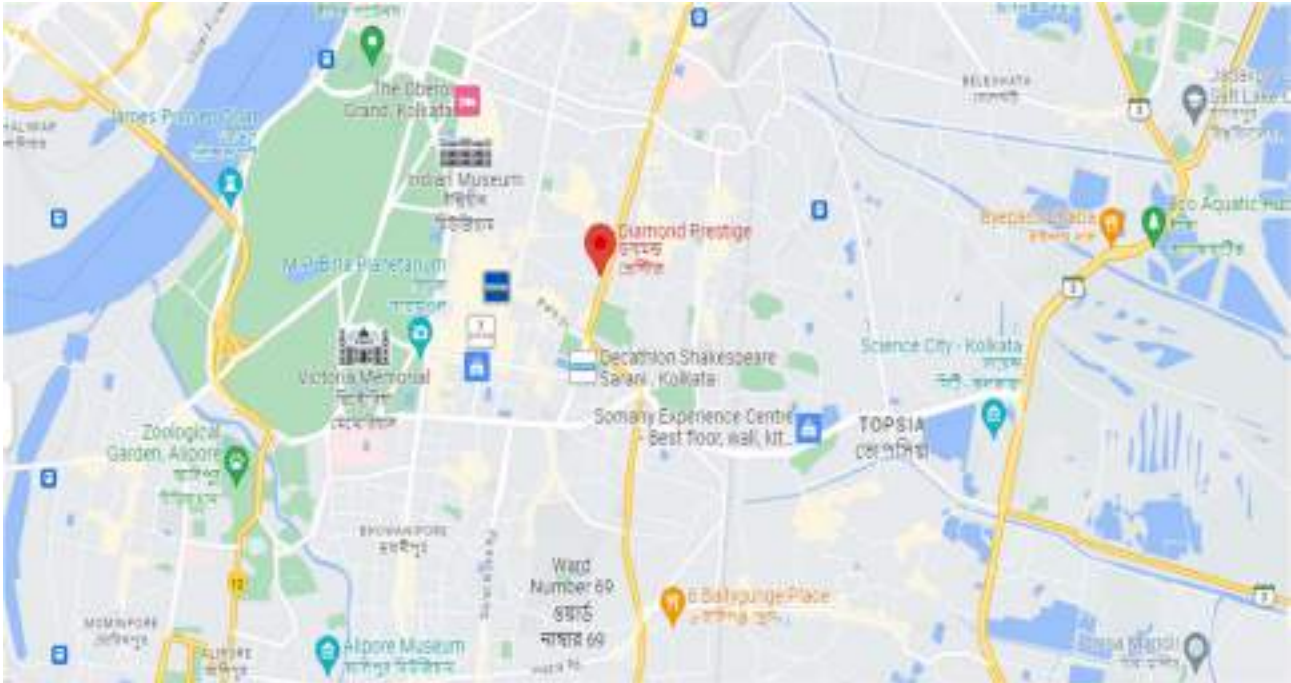
Annexure – 1 (Part – I)

Name of the Director	Mr. Deepak Kumar Agarwal
Director Identification Number (DIN)	00646153
Date of Birth	March 31, 1970
Nationality	Indian
Category	Executive Director
Date of Appointment on the Board	April 11, 2019
Expertise in specific functional areas	Iron and steel industry
Skill & Capabilities required for the role	over 28 years of rich experience in the iron and steel industry
Qualifications	Mr. Deepak Kumar Agarwal is a commerce graduate
No. of Shares held in the Company	Nil
Relationships between Directors and Key Managerial Personnel inter-se	None
Terms and Conditions of appointment	Re-Appointed as a Managing Director for a period commencing from August 24, 2024, upto, August 23, 2029.
Directorships held in other public companies (Excluding foreign companies) as on date of this Notice	1.Ess Dee Aluminium Limited 2.S P S Metal Cast & Alloys Limited 3.Shakambhari Ispat & Power Limited
Position held in mandatory Committees of Other companies.	<u>Member-Audit Committee</u> 1. Shakambhari Ispat & Power Limited 2. S P S Metal Cast & Alloys Limited 3. Ess Dee Aluminium Limited <u>Member-Nomination & Remuneration Committee</u> 1. Shakambhari Ispat & Power Limited 2. S P S Metal Cast & Alloys Limited 3. Ess Dee Aluminium Limited
Listed entities from which the Director resigned in the past three years	Nil
Details of Remuneration sought to be paid	Rs. 25,00,000/- Per month

ROUTE MAP

SPS STEELS ROLLING MILLS LIMITED

Diamond Prestige, 41A, A.J.C. Bose Road, 7th Floor, Suite No. 701, Kolkata – 700017



Google Link: <https://goo.gl/maps/DyaSjBVU6oViEif28>

BOARD REPORT 2023-24

Dear Members,

Your directors are pleased to present the 42nd Annual Report of SPS Steels Rolling Mills Limited along with the Audited (Standalone & Consolidated) Financial Statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS

During the year under review, performance of your company was as under:

(INR in Lacs)

Particulars	Standalone		Consolidated	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Revenue from Operation	1,77,110.38	1,73,641.72	2,05,478.56	1,82,800.34
Other Income	372.02	3,428.92	549.84	5,293.70
Profit/loss before Depreciation, Finance Costs and Tax Expense	19,123.57	17,135.29	20,414.65	20,795.05
Less: Finance Cost	4628.19	3,192.89	4,628.19	3,193.79
Profit /loss before Depreciation	14,495.38	13,942.40	15786.46	17,601.26
Less: Depreciation	2,997.24	2,644.01	3,111.04	2,741.43
Profit before Tax (PBT) and Exceptional Items	11,498.14	11,298.39	12675.42	14,859.82
Less: Exceptional Items	-	-	-	(195.85)
Profit Before Tax (PBT)	11,498.14	11,298.39	12,675.42	15,055.66
Less: Current Tax	-	-	0.14	-
Deferred Tax	1075.16	(1509.51)	1076.45	(1,509.51)
Profit After Tax (PAT)	10,422.98	12,807.90	11,598.83	16,565.18
Other Comprehensive Income	39.78	(11.88)	39.78	(11.88)
Total Comprehensive Income	10462.76	12,796.03	11,638.61	16,553.30
Earnings per share (Basic)	12.95	18.75	14.41	20.58
Earnings per Share (Diluted)	12.95	18.75	14.41	20.58

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company achieved a turnover on a standalone basis of Rs. 1,771.10 Crores compared to Rs. 1,736.42 Crores in the preceding financial year, representing a growth of 2%. The company also recorded a net profit of Rs. 104.62 Crores, a decrease from the net profit of Rs. 127.96 Crores in the previous year.

On a consolidated basis, the group achieved a turnover of Rs. 2,054.79 Crores compared to Rs. 1,828.00 Crores in the preceding financial year, representing a growth of 12.40%. The company also recorded a net profit of Rs. 116.39 Crores, a decrease from the net profit of Rs. 165.53 Crores in the previous year.

DIVIDEND

With a view to conserve the resources of the company for further investments, your directors do not recommend any dividend for the financial year ended March 31, 2024.

RESERVES

The Company proposes to retain the entire amount of Profit in the Profit & Loss Account.

SHARE CAPITAL

The Authorized Share Capital of the Company as on 31st March, 2024 is Rs. 82,50,00,000 comprising of 8,25,00,000 Equity Shares of Rs.10 each. The Issued, Subscribed and Paid-up Capital of the Company as on 31st March, 2024 is Rs 80,50,00,000 comprising of 8,05,00,000 Equity Shares of Rs 10 each. During the year under review, there is no change in share capital structure of the company.

CHANGES IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the year.

DEPOSITS

The Company has not accepted any deposits from public during the year and as such, there is no outstanding deposit in terms of Companies (Acceptance of Deposits) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "Listing Regulations"), the Management Discussion and Analysis Report is attached herewith as "Annexure-1".

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment/Re-appointment/Resignation

During the year under review, the following appointment and Resignation were made to in the Board of Directors of the Company.

Director retiring by rotation

In terms of the provisions of the Companies Act, 2013, Mr. Vikrant Ranjan (DIN: 06954394), Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. The necessary resolution for re-appointment of Mr. Vikrant Ranjan will be included in the Notice convening 42nd Annual General Meeting for the approval of Members

Appointment

The Board of Directors at its meeting on May 30, 2023, based on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Vikrant Ranjan (DIN: 06954394) as an Additional (Non-Executive Non-Independent) Director of the Company with effect from May 30, 2023, The Ordinary Resolution for his appointment as a Non-Executive Non-Independent Director was passed in 41st Annual General Meeting held on August 31, 2023.

On the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on August 01, 2023 appointed Mr. Pranab Sarkar (DIN:10195531) as Non-executive, Independent Director for a period of 5 years commencing from August 01, 2023 to July 31, 2028 (both days inclusive) which was duly approved by the members of the Company on 41st Annual General Meeting held on August 31, 2023.

On the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on December 12, 2023 appointed Mr. Sanjeev kumar Sachan (DIN:07194779) as Non-executive, Non - Independent Director with effect from December 12, 2023.

Resignation

- The Resignation of Mr. Ramabatar Agarwal (DIN:02930064) Director of the Company w.e.f., May 30, 2023.

- The Resignation of Mr. Chander Khurana (DIN:06693635) as Non - Executive Independent Director of the Company w.e.f., August 01, 2023.
- The Resignation of Sanjeev Kumar Sachan (DIN:07194779) as Non-executive, Non - Independent Director of the Company w.e.f., February 13, 2024.

Key Managerial Personnel

In terms of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the year following persons functioned as Key Managerial Personnel.

- Mr. Deepak Kumar Agarwal (DIN: 00646153), Managing Director.
- Mr. Binod Kumar Agarwal, Chief Financial Officer.
- Mr. Ashutosh Sharma, Company Secretary

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that, they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, banking, financial services, investments; and they hold highest standards of integrity.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD MEETINGS

During the year under review, Thirteen Board Meetings were convened and held. The details of which are given in Corporate Governance Report forming part of this Report. The provisions of the Companies Act, 2013 and the Listing Regulations were adhered to while considering the time gap between two meetings.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES, AND INDIVIDUAL DIRECTORS

Annual evaluation of Board, its performance, Committees, and individual Directors pursuant to applicable provisions of the Companies Act, 2013 and applicable regulations of the Listing Regulations, were carried out.

The performance of the Board was evaluated after seeking inputs from all the Directors present in the meeting on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc

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

The Securities and Exchange Board of India vide circular SEBI /HO /CFD /CMD/ CIR/ 2017/004 dated January 05, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders. While evaluating the performance, the above guidance note was considered. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated. A meeting of the Independent Director for the FY 2023-24, was held on March 15, 2024, to review the performance of the Non-Independent Directors and performance of the

Board as a whole, on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

The same were discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the board, its committees, and individual Directors were also discussed. The Directors expressed their satisfaction with the evaluation process.

MANAGERIAL REMUNERATION

The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the company are attached herewith as **"Annexure-2"**.

Details of employees required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as a separate Annexure, however it is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013 and rules made there under. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

As of the date of this report, your company has only one wholly-owned subsidiary, namely SPS Metal Cast & Alloys Limited.

The annual reports of the subsidiary will be available for inspection by any member of the company at the registered office, located at Diamond Prestige, 41A, A.J.C Bose Road, 7th Floor, Room No. 701, Kolkata - 700017, West Bengal. The inspection can be done between 11:00 A.M. and 1:00 P.M. on any working day leading up to the date of the upcoming Annual General Meeting (AGM). Upon written request, the annual reports of the subsidiary for the financial year ended March 31, 2024, will be provided to any member of your company. Alternatively, members can also request an electronic inspection of these documents by sending an advance request to the email address mentioned.

The annual reports, along with the audited financial statements of the subsidiaries of your company, are also available on the website www.spsgroup.in.

In accordance with Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014 (as amended), a statement containing the salient features of the financial statements of the subsidiary has been provided in Form AOC-1, which is included in this annual report as **"Annexure - 3"**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business. Accordingly, the transactions are being reported in specified Form No. AOC-2 in terms of Section 134 of the Act in **"Annexure - 4."**

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has in place a Vigil Mechanism/ Whistle Blower Policy to deal with unethical behaviour and to provide a framework to promote responsible and secured reporting of undesired activities. The Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company at www.spsgroup.in. During the year, no case was reported under this policy.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013, are given in the notes to the financial statements.

REMUNERATION POLICY

The Company has formulated a policy on director's selection and appointment, payment of remuneration, directors' qualifications, positive attributes, independence of directors, selection, and appraisal of performance of Key Managerial Personnel and Senior Management and their remuneration and other related matters as applicable under Section 178(3) of the Companies Act, 2013. The Company's Criteria for payment of remuneration to the Non -Executive Directors and Familiarization Programme undertaken for Independent Directors are available on the Company's website www.spsgroup.in.

RISK MANAGEMENT POLICY

The Company has a defined risk management framework to identify, assess, monitor, and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and is fully committed to identify and mitigate the risks in the business. The Company has formulated and implemented a risk management policy in accordance with the Listing Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks. In accordance with the policy, the risk associated with the Company's business is always reviewed by the management team and placed before the Audit Committee. The Audit Committee reviews these risks on periodical basis and ensures that mitigation plans are in place. The Board is briefed about the identified risks and mitigation plans undertaken.

INTERNAL FINANCIAL CONTROL

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The Internal Financial Control (IFC) system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded, and reported correctly.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit/loss of the Company for the year on that date;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) That the Directors have prepared the accounts for the year ended March 31, 2024 on a 'going concern' basis.
- v) That the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- vi) That the Directors incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company has in place the SEBI guidelines pertaining to Corporate Governance. The Corporate Governance Report giving the details as required under the Listing Regulations is given separately as **"Annexure-5"**.

The Corporate Governance Certificate for the financial year ended on March 31, 2024 issued by CS Pankaj Kumar Modi, Practicing Company Secretary, is also attached herewith as **"Annexure-6"**.

Certificate pursuant to Regulation 17(8) of the Listing Regulations is attached herewith as **"Annexure-7"**.

COMMITTEES OF BOARD OF DIRECTORS

The Board has four committees mandatorily constituted in compliance with the requirements of the Companies Act, 2013 and the Listings Regulations while three non-mandatory Committees have been constituted to assist it in the management of the day-to-day affairs of the Company and to increase the efficacy of governance. The Board has adopted charters setting forth the roles and responsibilities of each of the Committees. The Board has constituted following Committees to deal with matters and to monitor activities falling within their respective terms of reference:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

Details of composition of the above Committees, their terms of reference, number of meetings held during the year, attendance therein and other related aspects are provided in the Corporate Governance Report forming part of the Annual Report. There has been no instance where the Board has not accepted the recommendations of its committee.

AUDITORS

Statutory Auditors

M/s. V. Singhi & Associates, Chartered Accountants (Firm Registration No. 311017E) were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting of the Company held on July 30, 2022, for a term of 5 consecutive years commencing from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting to be held for financial year 2026-2027. Further, they have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder. As required under the Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' Report on Standalone and Consolidated Financial Statements for the financial year 2023-24 issued by M/s. V. Singhi & Associates, Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation, or adverse remark.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. BA & Associates, Company Secretaries was appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit for the year ended March 31, 2024.

The Secretarial Audit Report (MR-3) for the Financial Year ended March 31 2024, is also attached herewith as "**Annexure-8**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Sohan Lal Jalan & Associates, Cost Accountants, as the cost auditors of the Company (Firm Registration No. 000521) for the year ending March 31, 2025. M/s. Sohan Lal Jalan & Associates have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of ₹50,000/- plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for conducting cost audit of the Company for Financial Year - 2024-25 as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. The same is placed for ratification of Members and forms part of the Notice of the AGM.

INVESTOR EDUCATION & PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable for the Company as no dividend was declared in the last financial year.

STOCK EXCHANGE LISTING

The Equity Shares of the Company is listed at the Calcutta Stock Exchange Limited. The Company has paid the listing fee to the Calcutta Stock Exchange Limited for the financial year 2024-2025.

CORPORATE SOCIAL RESPONSIBILITY

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company constituted a CSR Committee. The Committee comprises of Independent Director and Executive director. CSR Committee of the Board has developed a CSR Policy which has been uploaded at the website of the company at www.spsgroup.co.in. Annual report on CSR activities has been provided in "**Annexure-9**".

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "**Annexure-10**" attached herewith.

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return as on March 31, 2024 is available at the website, i.e., www.spsgroup.in.

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

No material changes and commitment affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operation.

SETTLEMENTS WITH BANKS OR FINANCIAL INSTITUTIONS

During the year under review, no settlements were made by the Company with any Banks or Financial Institutions.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company provides a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Internal Complaints Committees have been constituted to enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the said Act. During the year under review, no complaint was reported to the Committee.

ACKNOWLEDGEMENT

Your directors place on records their gratitude to the dealers, agents, suppliers, investors, and bankers for their continued support, co-operation, and their valuable guidance to the Company and for their trust reposed in the Company's management. Your directors also place on record their sincere appreciation to employees at all levels for their hard work, dedication, and continuous contribution to the Company.

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN:00646153

ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096

Annexure 1

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

This report aims to provide insights into Management's view of the external environment and the steel industry, as well as our strategy, operational and financial performance, and key developments in human resources and industrial relations. It also addresses risks and opportunities and evaluates the adequacy of our internal control systems for the Financial Year 2023-24. For a comprehensive understanding, this report should be reviewed alongside the Company's financial statements, schedules, notes thereto. Our financial statements have been prepared in line with Indian Accounting Standards ('Ind AS') and comply with the Companies Act, 2013, as amended, and the regulations issued by the Securities and Exchange Board of India ('SEBI').

OUTLOOK

Global Economy

Despite facing challenges like the Middle East crisis, Russia-Ukraine conflict, high inflation, and rising geopolitical uncertainties, the global economy remains resilient. Growth is projected to sustain at 3.2% in 2024, similar to 2023, with recession risks decreasing. By late 2023, inflation approached pre-pandemic levels, and economic activity continued to grow, countering stagflation concerns. The U.S. is expected to grow at 2.4% in 2024, driven by strong private consumption, while the Eurozone may see a modest recovery of 0.7% due to easing inflation and energy prices. China, after a 5.2% growth in 2023, is projected to grow at 4.65% in 2024, though it will face challenges from industrial overcapacity, weak domestic demand, and trade tensions.

Economic Outlook

The global economy is projected to grow at a steady rate of 3.2% in 2024 and 2025, maintaining the pace seen in 2023. Advanced economies will see a slight increase in growth from 1.6% in 2023 to 1.8% by 2025, while growth in emerging markets and developing economies will slightly slow from 4.3% in 2023 to 4.2% in 2024 and 2025.

Global inflation is expected to decrease from 6.8% in 2023 to 4.5% by 2025, with advanced economies returning to inflation targets sooner. Energy prices should stabilize, with coal and natural gas prices continuing to fall due to new supply and reduced demand. Non-fuel commodity prices are likely to remain stable, although base metal prices may drop due to weaker industrial activity.

As inflation subsides, central banks in major advanced economies are anticipated to start lowering policy rates in the latter half of 2024. Fiscal policies are expected to tighten, with a structural fiscal balance improvement in the U.S. and euro area. In emerging markets, fiscal policies will remain broadly neutral in 2024, with tightening expected in 2025.

Advanced economies will see incremental growth, particularly in the euro area, while developing economies will experience stable growth with regional variations. China is projected to face its slowest growth since the mid-90s, with ongoing weakness in the property sector and low trade growth. Risks include potential escalation of the Middle East conflict, which could impact oil prices and shipping routes through the Red Sea.

Indian Economy

India's economy has shown resilience over the past three fiscal years, bolstered by supportive policies, regulatory measures, and a revitalized private sector. The country remains an attractive investment destination due to its large-scale operations, skilled talent pool, and strengths in technology and innovation.

The industrial sector has surged, drawing global technology firms to expand their supplier networks in India, supported by state industrial policies and sector-specific incentives. Significant investments in infrastructure, including roads and railways, highlight the Government's commitment to strengthening this sector. Capital spending and robust manufacturing activity have driven strong growth in 2023.

Production Linked Incentive (PLI) schemes have revitalized the manufacturing sector, enhanced value chains and expanding exports. The Government is considering extending these schemes to additional sectors to foster growth in labour-intensive industries.

Services exports, particularly in software, business, and travel services, have increased, offsetting a slight rise in the merchandise trade deficit and helping to manage the Current Account Deficit (CAD). Retail inflation for FY2023-24 has significantly decreased, reaching its lowest point since the COVID-19 pandemic, leading the Reserve Bank of India to maintain current policy rates in response to reduced price pressures.

STEEL INDUSTRY AND DEVELOPMENTS

Global Steel Industry

The steel industry has been hit hard by high inflation, rising interest rates, and geopolitical tensions. In 2023, demand from major steel-consuming regions like the EU and US weakened due to lower investment and consumption. Advanced economies may see a slow recovery in 2024, while emerging economies, especially in Asia, could grow faster.

High inflation, oil prices, and tight job markets remain risks. While global steel demand growth is expected to stay weak with high volatility, infrastructure investments have helped cushion the impact, though residential construction remains hit hard by high interest rates.

China's steel demand struggled in 2023 due to a troubled property sector, though the situation improved slightly later in the year thanks to government support. Steel exports from China rose by about 9%, which softened international prices and reduced profitability in emerging markets. In 2024, China's steel demand is expected to stay stable with continued growth from infrastructure and manufacturing.

The EU and UK face significant challenges from geopolitical shifts, high inflation, and reduced fiscal support. Despite showing resilience during the energy crisis, high interest rates and energy costs have dragged down demand to its lowest since 2000. In 2024, demand is expected to rise slightly above pandemic levels.

Indian Steel Industry

Since 2021, India has been a major driver of steel demand, driven by a booming construction sector, strong private consumption, and significant government spending on infrastructure and capital goods. The automotive sector has performed well, while consumer durables have lagged due to inflation. Coking coal prices fell towards the end of the year, and increased imports from China have lowered international steel prices and squeezed domestic margins.

India's GDP growth is projected at 6.8% for FY2024-25, reflecting optimism from robust manufacturing and infrastructure spending. The country is expected to remain the fastest-growing large economy.

Steel demand in India is expected to grow by around 8% in 2024 to 144 million tonnes, driven by increased infrastructure spending. Demand may be slightly subdued in the first half of the year due to election-related construction slowdowns. Prices are likely to stay soft due to cheaper Chinese imports unless policies change. Integrated steel plants will continue to add capacity, though at a slower pace, and industry leverage is expected to rise with planned capacity increases. Utilization levels should remain strong at about 80%, and net exports are likely to improve with better global demand.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has one reportable segment i.e., Steel & Iron. There is a general improvement in business of the company by eliminating all its competitors in the market and having an edge over the Brand name "**Elegant Steel**". The products of "Elegant" are always in high demand in the territories of West Bengal, North Eastern States, Bihar, Jharkhand, Eastern UP etc. and sold at premium of Rs. 5000 – 6000 per Ton as compared to other brands.

RISKS AND CONCERNS

The Company operates in an increasingly complex, volatile, and uncertain business environment with stringent regulatory and environmental requirements. The Company aspires to create long term value for its stakeholders by embedding risk intelligence and building resilience within the organization.

The Company has implemented an Enterprise Risk Management ('ERM') framework to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making. The ERM framework includes identification of risks and risk owners for regular tracking, mitigation, and reporting of risks to help the Company meet its business objectives. The Company through the ERM framework has identified key risks under various categories such as financial risks, macroeconomic and market risks, operational risks, safety risks, commodity risks, supply chain risks, information security risks, regulatory risks, climate change risks, and community risks. The Company has also mapped the severity of these risks and the likely impact on the Company and has developed mitigation strategies to eliminate or minimize the impact of the risks.

OPPORTUNITIES AND THREATS

Alongside identification of risks, the Company has a continuous process of monitoring and leveraging opportunities presented by the external and internal environment. The Company has identified various opportunities for growth and improvement and has developed strategies to leverage these opportunities. These opportunities include identifying potential for organic and inorganic growth, foraying into new lines of business to cater to evolving needs of customers as well as to make the business more sustainable, developing business models to address issues on climate change, and embarking on the path of digital transformation to be a technology leader in the industry and to gain a competitive advantage over other players.

In spite of several opportunities, threats are always be present. It is imperative to ensure that the system we run and the data we generate or collect have to be safe and secure from continuously evolving cyber threats. Hence, our cyber security policies and practices take all stake holders into consideration, including employees, customers, suppliers, regulators and other associated third parties.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Financial Controls ('IFC') framework, commensurate with the size, scale, and complexity of the Company's operations. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable

financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The Company's internal financial control framework commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions. Business heads are responsible to ensure compliance with these policies and procedures. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. To make the controls more robust and comprehensive.

COMPANY FINANCIAL PERFORMANCE

During the year under review, the Company achieved a turnover of Rs. 1,771.10 Crores compared to Rs. 1,736.42 Crores in the preceding financial year, representing a growth of 2%. The company also recorded a net profit of Rs. 104.62 Crores, a decrease from the net profit of Rs. 127.96 Crores in the previous year. With a view to conserve the resources of the company for further investments, Board of Directors did not recommend any dividend for the financial year ended March 31, 2024.

HUMAN RESOURCES MANAGEMENT

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements. During the year, Industrial relations with employees remained cordial. Human Resource Development activities continued to receive considerable attention. The emphasis was on imparting training and developing the skill set of the employees to enable them face the challenges in an increasingly complex work environment. The Company's permanent employee strength stood at 1081 as on March 31, 2024.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, as amended, details of significant changes in key financial ratios, refer Financial Statement Notes No. 39.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis, describing the Company's objectives, outlook, and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity, and such other factors over which the Company does not have any direct control.

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN:00646153

ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096

Annexure-2

PARTICULARS OF REMUNERATION

**Part A: Information pursuant to Section 197(12) of the Companies Act, 2013
[Read with Rule 5(1) of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014]**

Requirement of Rule 5(1)	Details
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year 2023-24	<p>Independent Directors</p> <p>Mr. Ashok Kumar Sharma : Nil</p> <p>Mrs. Priyanka Goenka : Nil</p> <p>Mr. Chander Khurana* : Nil</p> <p>Mr. Pranab Sarkar** : Nil</p> <p>Non-Executive Directors</p> <p>Mr. Vikrant Ranjan*** : 4.07</p> <p>Executive Directors</p> <p>Mr. Deepak Kumar Agrawal :30.81</p> <p>Mr. Ramabatar Agrawal**** : Nil</p>
(ii) The percentage increase in remuneration of each Director, Chief Executive Officer (MD), or Manager, if any, in the financial year 2023-24	<p>Independent Directors</p> <p>Mr. Ashok Kumar Sharma : Nil</p> <p>Mrs. Priyanka Goenka : Nil</p> <p>Mr. Chander Khurana* : Nil</p> <p>Mr. Pranab Sarkar** : Nil</p> <p>Non-Executive Directors</p> <p>Mr. Vikrant Ranjan*** : Nil</p> <p>Executive Director</p> <p>Mr. Deepak Kumar Agrawal : 147.06%</p> <p>Mr. Ramabatar Agrawal**** : Nil</p>
(iii) The percentage increase in the median remuneration of employees in the financial year	: 8.20%
(iv) The number of permanent employees on the rolls of the Company	: 1081 permanent employees as on March 31, 2024
(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and	: As per Company's increment guidelines.

point out if there are any exceptional circumstances for increase in the managerial remuneration		
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	:	Remuneration paid during the year ended March 31, 2024 is as per the Remuneration Policy of the Company.

Note: 1) Sitting Fees paid to the Independent Directors is not considered as remuneration paid to the Independent Directors.

*Resigned w.e.f. August 01, 2023

**Appointed as Independent Director w.e.f. August 01, 2023

***Appointed as Non- Executive Director w.e.f. May 30, 2023

****Resigned w.e.f. May 30, 2023

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
Managing Director
DIN:00646153

ASHOK KUMAR SHARMA
Director
DIN:09273096

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

[Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part-A Subsidiaries

Name of the Subsidiary	S P S Metal Cast and Alloys Limited
The date since when subsidiary was acquired	04.05.2022
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	31.03.2024
Reporting currency and Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary's	Reporting Currency is INR and Exchange Rate is not applicable as there is no foreign subsidiary.
Share Capital	Rs. 13,00,00,000/-
Reserves and surplus	Rs. 43,57,05,195/-
Total Assets	Rs. 139,12,44,248/-
Total Liabilities	Rs. 139,12,44,248/-
Investments	Nil
Turnover	Rs. 283,67,21,284/-
Profit before Taxation	Rs. 11,81,85,836/-
Provision for Taxation	NA
Profit after Taxation	Rs. 11,81,85,836/-
Proposed Dividend	NA
Extent of Shareholding (in percentage)	100%

Note:

1. No Subsidiaries which are yet to commence operations.

Part-B Associates and Joint Ventures

Company has no Associates Company and Joint Ventures. Hence, Part-B is not applicable.

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN: 00646153

ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096

Annexure-4

FORM NO. AOC – 2

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

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

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

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: (Amount in Lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
NONE					

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

(Rs. In lacs)

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: (Amount in Lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Shakambhari Ispat & Power Limited	Purchase of Goods	All the transactions were entered in regular course of business of the Company.	69,281.92	01.08.2023	N. A
Bravo Sponge Iron Private Limited	Purchase of Goods		31,487.45		
Eloquent Steel Private Limited	Purchase of Goods		4,002.64		
Shivratri Vyapaar Private Limited	Purchase of Goods		208.91		
Starcon Steel Trading Private Limited	Purchase of Goods		2,647.64		
Ess Dee Aluminium Limited	Purchase of Goods		705.23		
SPS Metal Cast & Alloys Ltd	Purchase of Goods		455.58		
Shakambhari Ispat & Power Limited	Sale of Goods		17,758.85		
Bravo Sponge Iron Private Limited	Sale of Goods		4,375.05		
Eloquent Steel Private Limited	Sale of Goods		3,895.95		

Ess Dee Aluminium Limited	Sale of Goods		162.55		
SPS Metal Cast & Alloys Ltd	Sale of Investment		61.00		
Mr. Deepak Kumar Agarwal	Director Remuneration		84.00		
Mrs. Priyanka Goenka	Director Sitting Fees		2.20		
Mr. Ashok Kumar Sharma	Director Sitting Fees		1.10		
Mr. Pranab Sarkar	Director Sitting Fees		0.42		
Mr. Chander Khurana	Director Sitting Fees		0.21		
Mr. Sanjeev Kumar Sachan	Director Sitting Fees		0.09		
Mrs. Tanesha Agarwal	Professional Fees		90.00		
SPS Metal Cast & Alloys Ltd	Rent Paid		2.40		
Infratex Commercial Private Limited	Rent Paid		6.00		
Eloquent Steel Iron Private Limited	Rent		54.13		
Starcon Steel Trading Private Limited	Rent		29.15		
Shakambhari Ispat & Power Limited	Royalty Paid		5.90		
SPS Metal Cast & Alloys Limited	Unsecured Loan & Advances Given		3,090.00		
Matrivani Impex Private Limited	Unsecured Loan & Advances Given		12.00		
Bengal Alloys & Melters Private Limited	Unsecured Loan & Advances Given		7.50		
SPS Metal Cast & Alloys Limited	Unsecured Loan & Advances Repaid		3,090.00		
Matrivani Impex Private Limited	Unsecured Loan & Advances Repaid		137.65		
Bengal Alloys & Melters Private Limited	Unsecured Loan & Advances Repaid		7.50		
Shivratri Vyapaar Private Limited	Advance For Supply		531.83		
Shivkripa Commercial Private Limited	Advance For Supply		2680.70		
Matrivani Impex Private Limited	Interest Income		10.84		

Elegant Care Foundation	CSR Contribution		168.00		
Shakambhari Ispat & Power Limited	Royalty Received		16.52		
Shakambhari Ispat & Power Limited	Rent Received		0.71		
Bravo Sponge Iron Private Limited	Rent Received		0.41		
Eloquent Steel Private Limited	Rent Received		0.41		
SPS Metal Cast & Alloys Limited	Rent Received		0.71		

All the transactions were entered in regular course of business of the Company.

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN:00646153

ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

Company's philosophy on Corporate Governance in brief

Our company's philosophy on corporate governance is grounded in the principles of integrity, transparency, and accountability. We are committed to fostering a culture that prioritizes ethical conduct, fair treatment of all stakeholders, and responsible management of our resources. Our approach to governance is built on the belief that transparency in our operations and decision-making processes is crucial for maintaining trust with shareholders, employees, customers, and the broader community. We emphasize the importance of a strong, independent Board of Directors that provides oversight and strategic direction, ensuring that our business activities align with our core values. Additionally, we have established a robust risk management framework to proactively identify and mitigate potential risks, thereby safeguarding the company's long-term sustainability. Our commitment to corporate governance extends beyond financial performance; it encompasses our responsibility to promote social and environmental well-being, ensuring that our growth is sustainable and in the best interests of all stakeholders.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to corporate governance.

Board of Directors

As on date of this Report the Board comprises of 5 (Five) Directors, of which 3 (three) are Independent Directors.

The composition of the Board of Directors as on March 31, 2024, the number of other committees of which a director is a member/ Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

Name of the Directors, DIN, Category of Directors	No. of Board Meetings Attended	Attendance at last A.G.M held on 31.08.2023	No. of membership(s) in committee(s) including this listed entity#	No. of post of Chairperson in Committee held in listed entities including this listed entity
Mr. Deepak Kumar Agarwal (DIN: 00646153) Managing Director - Promoter	13	YES	3	-
Mrs. Priyanka Goenka (DIN: 08489182) Non-Executive Independent Director	13	YES	5	-
Mr. Chander Khurana* (DIN: 06693635) Non-Executive Independent Director	2	-	2	-
Mr. Ashok Kumar Sharma (DIN: 09273096) Non-Executive Independent Director	13	YES	3	3
Mr. Vikrant Ranjan** (DIN: 06954394) Non-Executive Director	12	YES	-	-
Mr. Pranab Sarkar*** (DIN: 10195531) Non-Executive Independent Director	10	YES	2	-
# Only Audit Committee and Stakeholders Relationship Committee have been considered. *Resigned w.e.f. August 01, 2023 **Appointed w.e.f. May 30, 2023 ***Appointed w.e.f. August 01, 2023				

As required under Para C (2) of Schedule to the listing Regulations, following are the number of other directorships and the names of the listed entities where the Directors of the Company are also a director and the Category of their Directorship therein:

Name of Director	No. of Directorships including this Company*	Name of the Listed entities in which the concerned Director is a director (excluding this Company)	Category of Directorship
DEEPAK KUMAR AGARWAL	4	-	-
PRIYANKA GOENKA	3	CITRINE CONSULTANTS LTD	Independent Director
ASHOK KUMAR SHARMA	5	-	-
PRANAB SARKAR	1	-	-
VIKRANT RANJAN	2	-	-
*Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose			

There is no inter-se relationship among the Directors of the Company. In terms of Regulation 25(8) of the Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that all the Independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and under Section 149(6) of the Companies Act, 2013 and that they are independent of the management.

Board meetings held during the financial year ended March 31, 2023

During the financial year thirteen Board Meetings were held on May 30, 2023, July 17, 2023, August 01, 2023, August 14, 2023, September 08, 2023, September 25, 2023, October 27, 2023, November 14, 2023, December 12, 2023, January 17, 2024, February 01, 2024, February 13, 2024 and March 15, 2024.

Information placed before the Board of Directors

As required under the Regulation 17(7) read with Part – A of Schedule-II of the Listing Regulations, all the information were placed before the Board.

Code of Conduct

The Board of Directors of the Company has adopted a Code of Conduct for the Directors, Key Managerial Personnel, and Senior Management Personnel of the Company. The said Code of Conduct of the Company has been uploaded on the website of the Company and can be accessed at www.spsgroup.co.in.

Independent Directors Meeting

During the year, the Independent Directors of the Company met separately on February 01, 2024, without the presence of other directors or management representatives, to review the performance of non-independent directors and the performance of the Board as whole and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Details of Familiarisation Programmes imparted to Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company should familiarise the Independent Directors through various programs about the Company. The Company has familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. During the year, senior management team has from time to time made presentations to Independent Directors giving an overview of the Company's

operations, function, strategy and risk management plan of the Company. The details of familiarisation programme imparted to the Independent Directors during the year are available on the website of the Company.

Skill/Expertise/Competencies of the Board of Directors

The Following is the list of core skills/ expertise/competencies identified by the Board of Directors as required in the context of the company's business and that the said skills are available with the Board Members:

- i. Experience in and knowledge of the industries in which company operates.
- ii. Behaviour Skills – The attributes and competencies enabling individual Board Member to use their knowledge and skill to function well as team member and to interact with the key stakeholders.
- iii. Financial and Management Skill
- iv. Technical/Professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
- v. Business Strategy, Sales, & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:

Area of Expertise	Name of Directors						
	DEEPAK KUMAR AGARWAL	PRANAB SARKAR	PRIYANKA GOENKA	ASHOK KUMAR SHARMA	CHANDER KHURANA*	VIKRANT RANJAN	RAMABATAR AGARWAL**
Industry knowledge/ experience	✓	✓	✓	✓	✓	✓	✓
Technical skills/ experience	✓	-	-	✓	✓	-	✓
Behavioural competencies/ personal attributes	✓	✓	✓	✓	-	✓	✓
Strategic expertise	✓	✓	✓	-	✓	✓	-
Financial expertise	✓	✓	✓	✓	✓	✓	✓

*Resigned from the Board of Directors w.e.f. 01st August, 2023.

** Resigned from the Board of Directors w.e.f. 30th May, 2023.

During the year under review, Mr. Ramabatar Agarwal have resigned from the directorship of the Company, effective May 30, 2023, due to other commitments & old age. He had confirmed that there is no other reason, whether material or otherwise, for his resignation.

Further Mr. Chander Khurana have resigned from the directorship of the Company, effective August 01, 2023 due to other commitments. He has confirmed that there is no other reason, whether material or otherwise, for his resignation. Consequently, his directorship and committee position in the Company have been taken into account in this report, where relevant, until August 01, 2023.

AUDIT COMMITTEE

Composition of the Committee

The Audit Committee has been constituted by Board in accordance with the section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Committee comprised of the following Directors as its members, as on March 31, 2024:

- Mr. Ashok Kumar Sharma - Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Pranab Sarkar –Independent Director - Member
- Mr. Deepak Kumar Agarwal - Managing Director- Member

All members of the Audit Committee are financially literate and have accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Audit Committee. During the year under review, the Board had accepted all the recommendations of Audit Committee.

Terms of Reference

The terms of reference of the Committee as specified in Regulation 18 read with part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 are as follows:

- I. The Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- II. The annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any Related Party Transactions;
 - Modified opinion(s) in the draft audit report;
- III. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- IV. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- V. Reviewing with the management, the quarterly financial statements before submission

to the Board for approval;

- VI. Reviewing with the management, the statement of users/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the Company with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the Company, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Audit Committee shall mandatorily review the following information:
 - management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - management letters / letters of internal control weaknesses issued by the statutory auditors;

- internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- it should also review (as and when it becomes applicable) the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date.

Audit Committee Meetings held during the financial year ended March 31, 2024

During the year under review, Four Audit Committee Meetings were held on May 30, 2023, August 01, 2023, September 25, 2023, and November 14, 2023.

Attendance at the Audit Committee Meetings

Name of the Directors	No. of Meetings Held	No. of Meetings Attended
Mr. Ashok Kumar Sharma	4	4
Mrs. Priyanka Goenka	4	4
Mr. Deepak Kumar Agarwal	4	4
Mr. Pranab Sarkar*	4	2
Mr. Chander Khurana**	4	2
* Appointed as a member with effect from August 01, 2023		
**Ceased to be a member with effect from August 01, 2023		

NOMINATION & REMUNERATION COMMITTEE

Composition of the Committee

The Nomination & Remuneration Committee has been constituted by Board in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprised of the following Directors as its members, as on March 31, 2024:

- Mr. Ashok Kumar Sharma- Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Pranab Sarkar-Independent Director-Member.

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference of the Committee as specified in Regulation 19 read with Part D of Schedule II of the Listing Regulations, are as follows:

- I. 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;
- II. Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;

- III. Devising a policy on diversity of the board of directors;
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and remuneration payable to them.
- V. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Nomination & Remuneration Committee Meeting held during the financial year ended March 31, 2024

During the year under review, Three Nomination & Remuneration Committee Meeting were held on May 30, 2023, August 01, 2023 and December 12, 2023.

Attendance at the Nomination & Remuneration Committee Meetings

Name of the Directors	No. of Meetings Held	No. of Meetings Attended
Mr. Ashok Kumar Sharma	3	3
Mrs. Priyanka Goenka	3	3
Mr. Pranab Sarkar*	3	1
Mr. Chander Khurana**	3	2
* Appointed as a member with effect from August 01, 2023		
** Ceased to be a member with effect from August 01, 2023		

Performance Evaluation criteria for Independent Directors

The following are the evaluation criteria for the Performance evaluation of the Independent Directors.

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices
- Rendering independent, unbiased opinion
- Attendance & presence in meetings of Board & committees
- Attendance & presence in general meetings
- Disclosure of independence, if exists
- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests
- Updation of skills and knowledge (Awareness program through presentation at the Board and Committee meetings)
- Information regarding external environment
- Raising of concerns to the Board
- Safeguarding interest of whistle blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Safeguard of confidential information

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and as per requirement of Regulation 17(10) of the Listing Regulations, the Board has adopted the criteria for evaluation of its own performance, its committees and individual directors and carried out the required annual evaluation.

In respect of each of the evaluation factors, various aspects covering general parameters in respect of all the directors and its committees have been considered and set out in the Performance Evaluation Policy in accordance with their respective functions and duties.

Self-appraisal by the directors, based on their delegated specific responsibilities has also been carried out.

Further, the Independent Directors have evaluated the performance of Non-Independent Directors and the Board of Directors as a whole as per requirement of Regulation 25 (3) & (4) of the Listing Regulations.

Nomination and Remuneration Committee had also evaluated performance of each of the Directors based on the aforesaid evaluation factors.

Remuneration of Directors

Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its non-executive and independent directors other than payment of sitting fees to them for attending Board and committee meetings. Criteria of making payments to the Non-Executive Directors are disclosed in the Policy and the same is available on the website of the Company and can be accessed at www.spsgroup.in.

Details of remuneration to Directors

Name of the Director	Salary & Perks	Sitting Fees	Total
Deepak Kumar Agarwal	84,00,000	-	84,00,000
Pranab Sarkar	-	42,000	42,000
Priyanka Goenka	-	2,20,000	2,20,000
Ashok Kumar Sharma	-	1,10,000	1,10,000
Vikrant Ranjan	11,10,000	-	11,10,000
Chander Khurana	-	21,000	21,000

Notes:

- The Company does not pay any commission or performance linked incentives to any of its directors.
- The company pays sitting fees to Independent Directors for attending the Board and Committee meetings. Other than that, Independent Directors have no pecuniary relationships or transactions with the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of the Committee

The Stakeholders Relationship Committee has been constituted by Board in accordance with the section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Stakeholders Relationship Committee comprised of the following Directors as its members, as on March 31, 2024:

- Mr. Ashok Kumar Sharma- Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Deepak Kumar Agarwal- Managing Director- Member
- Mr. Pranab Sarkar-Independent Director, Member

Terms of Reference

The Committee performs amongst others the role/functions as are set out in the Listing Regulations and includes:

- to consider, review and redress grievances of shareholders, debenture holders and other security holders of the Company;
- to consider and resolve the grievances of the shareholders / Investors like transfer of shares, debenture, non-receipt of balance sheet, non-receipt of declared dividends;
- to deal with all aspects relating to issue and allotment of shares and debentures and / or other securities of the Company.
- to consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- to delegate any of the powers mentioned above to the Company executives;
- authority to take a decision in any other matter in relation to the above functions / powers;
- to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws; and
- to specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.

Stakeholders Relationship Committee Meetings held during the financial year ended March 31, 2024

During the year under review, one Stakeholders Relationship Committee Meeting was held on January 17, 2024.

Name of the Director	No. of meetings	
	Held	Attended
Mr. Ashok Kumar Sharma	1	1
Mrs. Priyanka Goenka	1	1
Mr. Deepak Kumar Agarwal	1	1
Mr. Pranab Sarkar*	1	1
*Appointed as a member with effect from August 01, 2023		

Compliance Officer

Mr. Ashutosh Sharma, Company Secretary is the Compliance Officer of the Company.

Shareholders' Complaints

During the year ended March 31, 2024, the Company had received nil complaints from its shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, dispute or Court orders.

Corporate Social Responsibility Committee

Pursuant to the applicable provisions of the Act, the CSR Committee is required to recommend the amount of expenditure to be incurred for undertaking CSR activities by the Company in terms of the Corporate Social Responsibility Policy. It also monitors the CSR Policy of the Company from time to time. The Committee also oversees the preparation, implementation and reporting in a responsible manner.

The details of the composition, meetings and attendance of the members of the CSR Committee are as follows:

Sr. No.	Name of the Directors	Position	No. of Meeting held	No. of Meeting attended
1	Mr. Ashok Kumar Sharma	Chairperson	1	1
2	Mrs. Priyanka Goenka	Member	1	1
3	Mr. Pranab Sarkar*	Member	1	1
4	Mr. Deepak Kumar Agarwal	Member	1	1
5	Mr. Chander Khurana**	Member	NA	NA
* Appointed as a member with effect from August 01, 2023				
** Ceased to be a member with effect from August 01, 2023				

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company.

During the Financial Year 2023-24, one CSR Committee meetings were held on December 12, 2023.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as under:

Year	Location	Date	Time	Whether special resolutions passed
2020-21	Diamond Prestige, Room No. 701, 7 th floor, 41A, AJC Bose Road, Kolkata-700017	September 30, 2021	10.30 A.M	Three
2021-22	Diamond Prestige, Room No. 701, 7 th Floor, 41A, AJC Bose Road, Kolkata-700017	July 30, 2022	10.30 A.M	Eight
2022-23	Diamond Prestige, Room No. 701, 7 th Floor, 41A, AJC Bose Road, Kolkata-700017	August 31, 2023	03.30 P.M	Two

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2024.

Details of Resolutions passed through Postal Ballot:

During the financial year ended March 31, 2024, No Special Resolution was passed through Postal Ballot.

DISCLOSURES

- As a matter of policy, the Company does not enter into any transaction with any related party that may have potential conflict with the interests of the Company at large. During the financial year ended March 31, 2024 approval were optioned from Audit Committee, Board of Directors, and Members at the 41st Annual General Meeting. The Disclosure on Related Party Transactions forms an integral part of the Notes to Financial Statements for the financial year ended March 31, 2024 (both Standalone and Consolidated basis) as included in this Annual Report.
- The Company has adopted Vigil Mechanism/Whistle blower policy. No personnel were denied access to the Audit Committee.
- The Company has complied with all the mandatory requirement and discretionary requirement of unqualified financial statements.

d) The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

e) **Subsidiary Companies:**

As of the date of this report, the company has one wholly-owned subsidiary, S P S Metal Cast & Alloys Limited. During the year under review, S P S Metal Cast & Alloys Limited did not meet the criteria to be considered a 'Material Subsidiary' as defined in Regulations 16(c) and 24 of the Listing Regulations. The Audit Committee of the Company periodically reviews the financial statements of the unlisted subsidiary. The minutes of the subsidiary's board meetings are presented at the Company's board meetings on a quarterly basis. Any significant transactions or arrangements entered into by the subsidiary are periodically reported to the Board of Directors of the Company. If required in the future, the Board of Directors of the Company will formulate a policy for determining what qualifies as a 'Material Subsidiary'.

f) The Company has framed Related Party Transaction Policy and is placed on the Company's website and may be referred to, at the Company's official website at www.spsgroup.co.in.

g) During the financial year ended March 31, 2024 the Company did not engage in commodity hedging activities.

h) During the financial year 2023-24, Board had accepted all the recommendation of committees of the Board.

i) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

i. Number of complaints filed during the financial year – NIL

ii. Number of complaints disposed of during the financial year – NIL

iii. Number of complaints pending as on end of the financial year – NIL

j) **Fee to Statutory Auditors:** During the year, an amount of Rs. 7,03,000/- (Rupees Seven Lakhs Three Thousand only) was paid to M/s. V. Singhi & Associates, Chartered Accountants, the statutory auditors of the Company for the services rendered by it to the Company.

MEANS OF COMMUNICATION

a) Quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are approved by the Board.

b) Financial results are normally published in the Echo of India in English language and in Arthik Lipi in Bengali language.

c) Financial results of the company are displayed on its website www.spsgroup.in.

d) No presentations were made to institutional investors or analysts.

GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting:
Date and time
Venue

As per the Annual General Meeting Notice

II. Financial Calendar for the year 2024-25:

Particulars of Quarter

Results for the first quarter

Results for the second quarter

Results for the third quarter

Annual Audited Results

Tentative Dates

On or before second week of August

On or before second week of November

On or before second week of February

On or before last week of May

III. Book Closure Date:

As provided in Annual General Meeting Notice

IV. Dividend Payment Date:

Not Applicable

V. Listing on Stock Exchange:

The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata-700001

VI. Scrip Code:

015077

VII. Share Transfer System

M/s. Niche Technologies Private Limited are the Share Transfer Agents/Registrars of the Company. The Board of Directors of the Company has authorized Shri Deepak Kumar Agarwal, Managing Director and Shri Ashutosh Sharma, Company Secretary of the Company to approve all valid share transfer requests on regular basis and accordingly all valid transfer is effected within a fortnight. Details of approved share transfers are submitted to the Stakeholders Relationship Committee.

VIII. Distribution of shareholding as on March 31, 2024:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
5,001 to 10,000	1	5.00	6,833	0.01
10,001 and above	19	95.00	8,04,93,167	99.99
Total	20	100.00	8,05,00,000	100.00

IX. Credit Rating:

CRISIL Ratings Limited has given the following credit ratings to the Company at present.

Sr. No.	Particulars	Credit rating
1.	Long Term Bank Facilities	CRISIL BBB+; Stable (Reaffirmed)
2.	Short Term Bank Facilities	CRISIL A2 (Reaffirmed)

X. Dematerialisation of shares:

As per directives of SEBI, the Company's shares are tradable Compulsorily in electronic form. The Company's shares are available for dematerialization at National Securities Depository Ltd ('NSDL') and Central Depository Services (India) Ltd ('CDSL'). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE114G01026. As on 31 March, 2024, 100 % of the shares of the Company stand dematerialized.

XI. Outstanding GDR/ADR/Warrants:

Not Applicable

XII. Plant Location:

Unit I: Dr. Zakir Hussain Avenue, GT Road, Durgapur, West Bengal-713206
Unit II: Vill; P.O: Poradiha, P.S: Santuri, District: Purulia, West Bengal-722153

XIII. Address for Correspondence:

1. Company Secretary & Compliance Officer
Mr. Ashutosh Sharma
Diamond Prestige, Room No.701, 7th floor
41A, A.J.C. Bose Road, Kolkata 700 017
Phone: 033 66255252
E-mail ID: compliance@shakambhargroup.in
2. Registrar & Share Transfer Agent
Niche Technologies Private Limited
Registered Office: 7A & 7B, Auckland place
Kolkata 700017
Telephone No.: 033 2234 3576
E-mail nichetechpl@nichetechpl.com

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
Managing Director
DIN:00646153

ASHOK KUMAR SHARMA
Director
DIN:09273096

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
SPS Steels Rolling Mills Limited
Diamond Prestige, 41A, A.J.C Bose Road,
7th Floor, Room No.701,
Kolkata - 700017

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. SPS Steels Rolling Mills Limited having CIN L51909WB1981PLC034409 and having registered office at Diamond Prestige, 41A, A.J.C Bose Road, 7th Floor, Room No.701, Kolkata - 700017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

Sl. No.	Name of Director	DIN	Date of appointment in Company	Date of cessation (if any)
1	DEEPAK KUMAR AGARWAL	00646153	11/04/2019	-
2	RAMABATAR AGARWAL	02930064	11/04/2019	30/05/2023
3	PRIYANKA GOENKA	08489182	20/06/2019	-
4	ASHOK KUMAR SHARMA	09273096	13/08/2021	-
5	CHANDER KHURANA	06693635	06/01/2023	01/08/2023
6	VIKRANT RANJAN	06954394	30/05/2023	-
7	PRANAB SARKAR	10195531	01/08/2023	-
8	SANJEEV KUMAR SACHAN	07194779	12/12/2023	13/02/2024

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

CS Pankaj Kumar Modi
Company Secretary in Practice
Membership No. ACS 28600
CP. No. 12472
UDIN: A028600F001038532
Peer Review Cert. No.: 3854/2023

Place: Kolkata
Date: August 24, 2024

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Conduct of the Company as laid down by the Board for the financial year ended March 31, 2024.

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
Managing Director
DIN:00646153

Annexure-6

**CERTIFICATE TO THE MEMBERS OF SPS STEELS ROLLING MILLS LIMITED ON
THE CONDITIONS OF CORPORATE GOVERNANCE FOR THE YEAR ENDED
MARCH 31, 2024.**

To the Members of
SPS Steels Rolling Mills Limited

I have examined the compliance of the conditions of Corporate Governance by SPS Steels Rolling Mills Limited for the year ended March 31, 2024 as stipulated in Regulation 17 to 27, 46(2) (b) to (i), Schedule II and V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

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

In our opinion and to best of our information and according to the explanations given to us, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in the SEBI Listing Regulations for the year ended on March 31, 2024.

On the basis of records maintained by the Company, I state that, as on March 31, 2024, there were no investor grievances remaining pending for a period exceeding one month against the Company.

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

Pankaj Kumar Modi
Company Secretary in Practice
Membership No. ACS 28600
CP. No. 12472
UDIN: A028600F001038576
Peer Review Cert. No.: 3854/2023

Date: August 24, 2024
Place: Kolkata

CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CERTIFICATION

To
The Board of Directors
SPS Steels Rolling Mills Limited

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further states that to the best of our knowledge and belief, there are no transactions entered into by company during the financial year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls over the financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
1. there has been no significant change in internal control over financial reporting during the financial year.
 2. there has been no significant changes in the accounting policies during the financial year, except to the extend, if any, disclosed in the notes to the financial statements; and
 3. there has been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

Date: August 24, 2024
Place: Kolkata

[Deepak Kumar Agarwal]
Managing Director
DIN:00646153

[Binod Kumar Agarwal]
Chief Financial Officer

BA & ASSOCIATES

(Company Secretaries)



16/1A, Abdul Hamid Street, (British India Street)
6th Floor, Room No. 6E, Beside Deewars Garage
Kolkata- 700069, West Bengal
Mob: 96810 21295, Office: 033 4601-8006

Form No.MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SPS Steels Rolling Mills Limited
Diamond Prestige, 41A, A.J.C Bose Road,
7th Floor, Room No.701,
Kolkata - 700017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPS Steels Rolling Mills Limited (hereinafter called the Company). The 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 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, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not applicable to the Company during the Audit Period)*
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the Audit Period)*
 - f) 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 to the Company during the Audit Period)*
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable. *(Not applicable to the Company during the Audit Period) and*
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time;
 - j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and amendments from time to time;
6. Other laws applicable to the company as per the representations made by the management.

Based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder;

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
		NIL	

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) I have also examined compliance with the applicable clauses of Secretarial Standard-1 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India. (Applicable to the Company during the audit period as it has come into force on 01st day of July, 2015).
- (d) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

The Company is default in filing and delay in filing of certain forms with the Registrar of Companies. As explained by management that the reason of delay in filing of the aforementioned forms were inadvertent.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the period under review the following changes took place in the Board and Management of the Company: -

- I. Appointment of Mr. Vikrant Ranjan (DIN: 06954394) as additional Non-Executive Non-Independent Director of the Company w.e.f. 30-05-2023.
- II. Resignation of Mr. Ramabatar Agarwal (DIN: 02930064) as Director of the Company w.e.f. 30-05-2023.
- III. Appointment of Mr. Pranab Sarkar (DIN: 10195531) as additional Non-Executive Independent Director of the Company w.e.f. 01-08-2023.
- IV. Resignation of Mr. Chander Khurana (DIN: 06693635) as Director of the Company w.e.f. 01-08-2023.
- V. Change in the designation of Mr. Vikrant Ranjan (DIN: 06954394) from Additional Director to Non-Executive Director of the Company w.e.f. 31-08-2023.
- VI. Change in the designation of Mr. Pranab Sarkar (DIN: 10195531) from Additional Director to Independent Director of the Company w.e.f. 31-08-2023.
- VII. Appointment of Mr. Sanjeev Kumar Sachan (DIN: 07194779) as additional Non-Executive Non - Independent Director of the Company w.e.f. 12-12-2023.
- VIII. Resignation of Mr. Sanjeev Kumar Sachan (DIN: 07194779) as additional Non-Executive Non - Independent Director of the Company w.e.f. 13-02-2024.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

For, BA & ASSOCIATES
[FRN: I2014WB1192800]

BIJAY AGARWAL
(Proprietor)
C. P. No. 13549
Membership No. F10323
ICSI UDIN: F010323F001039868

Date: 24-08-2024
Place: Kolkata

Note: *This Report is to be read with 'Annexure A' attached herewith and forms an integral part of this Report.*

“ANNEXURE – A”

To,
The Members
SPS STEELS ROLLING MILLS LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on random 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, BA & ASSOCIATES
[FRN: I2014WB1192800]

BIJAY AGARWAL
(Proprietor)
C. P. No. 13549
Membership No. F10323
ICSI UDIN: F010323F001039868

Date: 24-08-2024
Place: Kolkata

Annexure 9

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR ENDED 31ST MARCH, 2024

1. Brief outline on CSR Policy of the Company.

The CSR Policy encompasses philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

2. Composition of CSR Committee:

Sl. No.	Name of Directors	Designation	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1	Mr. Ashok Kumar Sharma	Chairman	1	1
2	Mrs. Priyanka Goenka	Member	1	1
3	Mr. Deepak Kumar Agarwal	Member	1	1
4	Mr. Pranab Sarkar	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – www.spsgroup.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – Not applicable.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for financial years, if any (in Rs)
1	2022-23	15,45,136.06	15,45,136.06
2	2021-22	NA	NA
3	2020-21	NA	NA
	Total	15,45,136.06	15,45,136.06

6. Average net profit of the company as per section 135(5): Rs. 6466.56 lakhs

(Amount in lakhs)

Particulars	2022-23	2021-22	2020-21
Profit/(loss) before exceptional items and tax	11,298.39	4133.03	3753.84

6.1. Two percent of average net profit of the company as per section 135(5): Rs. 1,29,33,120.55/-

6.2. Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA

6.3. Amount required to be set off for the financial year, if any: Rs. 15,45,136.06/-

6.4. Total CSR obligation for the financial year (6.1+6.2-6.3): Rs. 1,13,87,984.49/-

7.

7.1. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,68,59,183/-	Not Applicable				

7.2. Details of CSR amount spent against **ongoing projects** for the financial year:

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						CSR Registration number.	Name
Not Applicable												

7.3. Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (In Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			CSR Registration number	Name
1.	<ul style="list-style-type: none"> Poverty relief Promoting education Safety awareness Rural development Distribution of ration among poor people 	Clause (i) Eradicating hunger, poverty and promoting health care. (ii) Promoting education (x) Rural development projects	Yes	West Bengal,	Kolkata/ Durgapur/ Purulia	1,53,70,540/-	No	CSR00 024108	Elegant Care Foundation (Formally Known as SHREE SHYAM SEVA SANSTHAN)
2.	Distribution of Wheel Chair & Tricycle	Clause (i) Eradicating hunger, poverty and ["promoting health care including preventive health care"] and sanitation.	Yes	West Bengal,	Durgapur/ Purulia/ Kolkata	6,78,183/-	No	CSR00 024108	Elegant Care Foundation (Formally Known as SHREE SHYAM SEVA SANSTHAN)
3.	Rental for Waste Bin placed in many Cities, Metro Stations	Clause iv) ensuring environmental sustainability, animal welfare	Yes	West Bengal,	Kolkata/ Durgapur/ Purulia	6,20,836/-	No	CSR00 024108	Elegant Care Foundation (Formally Known as

								SHREE SHYAM SEVA SANSTHAN)
4.	Promoting Sports	Clause (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Yes	West Bengal, Kolkata	80,000/-	No	CSR00 024108	Elegant Care Foundation (Formally Known as SHREE SHYAM SEVA SANSTHAN)
					1,67,49,564/-			

7.4. Amount spent in Administrative Overheads- 1,09,619

7.5. Amount spent on Impact Assessment, if applicable

7.6. Total amount spent for the Financial Year (7.2+7.3+7.4+7.5): Rs. 1,68,59,183/-

7.7. Excess amount for set off, if any: Rs. 54,12,015.51/-

Sl. No.	Particular	Amount (in Rs)
(i)	Total CSR obligation for the financial year	1,13,87,984.49/-
(ii)	Total amount spent for the Financial Year	1,68,59,183.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	54,71,199.00/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	54,71,199.00/-

8.

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

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

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

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								

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

a) Date of creation or acquisition of the capital asset(s). – NA

b) Amount of CSR spent for creation or acquisition of capital asset- NA

- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc- NA
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)- NA

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- **Not Applicable**

For and on behalf of the Board

Date: August 24, 2024
Place: Kolkata

DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN:00646153

ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096

**STATEMENT OF PARTICULARS UNDER RULE 8(3) OF COMPANIES
(ACCOUNTS) RULES, 2014**

A. Particulars with Respect to conservation of Energy:

i) The Steps taken or impact on conservation of energy

The power consumption of the Company as a percentage of total turnover comes to a negligible percentage. Several measures to conserve energy and to reduce the costs associated with it have been taken. The Company has installed energy efficient devices in the projects also. Training programs were conducted to increase awareness on energy saving.

ii) The Steps taken by the Company for utilizing alternate sources of energy

As the energy consumption to total turnover is very minimal use of alternate source of energy is not required.

iii) The Capital investment on energy conservation equipment

As the energy consumption to total turnover is very minimal investment in energy conservation equipment is presently not required.

B. Particulars with Respect to Technology absorption:

i) The efforts made towards technology absorption

The Company has taken efficient steps towards technology absorption.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The benefits derived by the Company for such adoption have been evident in reducing cost. Thus, it helps the company to satisfy consumer needs and business requirements.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

- Details of technology imported
- The year of import
- Whether the technology been fully absorbed
- If not fully absorbed, areas where absorption has taken place and the reasons thereof; and

iv) The expenditure incurred on Research and Development: NA

C. Foreign exchange earnings and outgoes:

	2023-24	(Rs in Lacs) 2022-23
Foreign Exchange earnings and outgo		
Earning	209.05	Nil
Outgo	1637.37	134.50

For and on behalf of the Board

**Date: August 24, 2024
Place: Kolkata**

**DEEPAK KUMAR AGARWAL
MANAGING DIRECTOR
DIN:00646153**

**ASHOK KUMAR SHARMA
DIRECTOR
DIN: 09273096**

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SPS STEELS ROLLING MILLS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of SPS STEELS ROLLING MILLS LIMITED ("the Company"), which comprise of the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, together with Notes to the financial statement including a summary of the Material Accounting Policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of The Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statements 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 (the "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our audit
<p data-bbox="209 591 778 624">1. Contingent Liabilities and Commitment</p> <p data-bbox="204 645 786 792">There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements.</p> <p data-bbox="204 815 786 938">The value of the litigations together with the level of judgement involved make it a significant matter for our audit.</p>	<p data-bbox="815 591 1326 624">Our procedures included the following:</p> <ul data-bbox="863 645 1412 1912" style="list-style-type: none"><li data-bbox="863 645 1412 719">• Examined the list of outstanding litigations against the Company.<li data-bbox="863 741 1412 889">• Read the latest correspondences between the Company and the regulatory authorities for significant matters.<li data-bbox="863 911 1412 1059">• Discussed the status of significant litigation with the Company's senior management personnel and assessing their responses.<li data-bbox="863 1081 1412 1155">• Examined opinions obtained by the Company from external advisors.<li data-bbox="863 1178 1412 1449">• Involved our tax specialists, and discussed with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.<li data-bbox="863 1471 1412 1583">• Assessed and validated the appropriateness of the disclosures made in the financial statements.<li data-bbox="863 1606 1412 1912">• Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the financial statements is considered to be reasonable.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

2. Expenditure on capital projects

We consider capital expenditure as a key audit matter due to :

- Significance of amount incurred on such items during the year ended March 31, 2024.
- Judgements and estimates required by management in assessing assets meeting the capitalization criteria set out in Ind AS 116 Property Plant and Equipment
- Judgment involved in determining the eligibility of costs including borrowing cost and directly attributable cost for capitalization as per the criteria set out in Ind AS 116 Property Plant and Equipment

Our audit procedures included the following:

- We obtained an understanding of the company's capitalization policy and assessed for compliance with the relevant accounting standards.
- We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related with capital expenditure and capitalization of assets.
- We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.

Information Other than the Standalone Financial Statements and Auditors' Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

If, based on the work we have performed on the other information that we obtained prior to the date of Auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the other information, which we will obtain after the date of Auditors' Report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and designing, 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Auditors' Responsibility for the Audit of Standalone Financial Statements

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

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

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 said 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 including other comprehensive income, the Statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

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CHARTERED ACCOUNTANTS

- (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of directors, none of the directors are disqualified as on 31st March, 2024 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, as required under Section 143 (3)(i) of the Act, refer to our separate report in “Annexure B”.
- (g) with respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, the Company has complied with the provisions of Section 197 read with Schedule V to the Act, relating to managerial remuneration.
- (h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- refer note 32 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity

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("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), (a) and (b) above, contain any material misstatement.

- v. The company has neither declared nor paid any dividend during the financial year.

- vi. Based on our examination, including test checks, the company has used an accounting software with audit trail (edit log) feature for maintaining its books of account, which has been consistently operated throughout the year for all relevant transactions. During our audit, we did not find any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata
Date: 30th May, 2024

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report

Referred to in Paragraph-1 of Other Legal and Regulatory Requirements section of our Report of even date to the members of SPS STEELS ROLLING MILLS LTD. on the Standalone Financial Statements for the year ended 31st March, 2024.

(i) (a) (A) The Company is maintaining proper records which are under updation to show full particulars, including quantitative details and situation of its Property, Plant & Equipment and Right-of-use assets.

(B) The Company is maintaining proper records showing full particulars of its Intangible Assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the physical verification of Property, plant and equipment is being carried out by the company in a phased manner to cover all its assets over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deeds of all the immovable properties (other than Right of Use assets) as disclosed in financial statement are held in the name of the company.

(d) The company has not revalued its Plant Property and Equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of records of the company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and, in our opinion and to the best of our knowledge, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the periodical returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

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(iii) During the year the company has made investments in and granted loans or advances in the nature of unsecured loans to companies. The company has not provided any guarantee or security.

(a) During the year the company has provided loans or provided advances in the nature of loans as under: -

(Rs. in Lakhs)

Particulars	Loans
Aggregate amount granted/ provided during the year:	
Subsidiaries	2,000.50
Others	19.00
Balance outstanding as at balance sheet date in respect of above cases:	
Subsidiaries	-
Others	-

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of all loans are prima facie, not prejudicial to the company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans and advances in the nature of loans given, the repayment of principal and payment of interest are stipulated to be on demand and the repayments or receipts have been made on regular basis as and when demanded by the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given except in respect of loan granted to related parties and unrelated parties.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans and advances repayable on demand as follows:-

(Rs. in Lakhs)

Particulars	Related Parties
Aggregate amount of loans/ advances in nature of loans	
- Repayable on demand (A)	2,019.50
- Agreement does not specify any terms or period of repayment (B)	-
Total (A+B)	2,019.50
Percentage of loans/ advances in nature of loans to the total loans	100%

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- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions as specified under Section 185 and 186 of the Companies Act, 2013 in respect of loans and investments. Since the company has not provided any guarantee or security, hence the compliance of the aforesaid section are not applicable with respect to guarantee or security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company as specified by the Central Government under sub-section (1) of section 148 of the Companies Act and are of the opinion that, prima facie, such accounts and records have been made and maintained. We have not, however, made a detailed examination of the records maintained as aforesaid.
- (vii)(a) According to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of the records, no undisputed amounts are payable in respect of statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues as referred in sub-clause (a), which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, and based on our examination, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans obtained were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been utilized for long term purposes.

V. SINGHI & ASSOCIATES

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(e) According to the information and explanations given to us and based on our examination of the financial statement of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and based on our examination of the books and records, we report that the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the books and records, we report that the company has not made preferential allotment of equity shares during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no whistle blower complaint has been received by the Company during the year.

(xii) According to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to information and explanations given to us and based on our examination of the books and records, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations given to us and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports of the company issued for the year under audit.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

- (xv) According to the information and explanations given to us and based on our examination, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) According to the information and explanations given to us and based on our examination, the Company has not incurred any cash loss in the financial year or in the immediately preceding financial year.
- (xviii) According to the information given to us and based on our examination, there has not been any resignation of the Statutory Auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

V. SINGHI & ASSOCIATES

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(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata
Date: 30th May, 2024

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditors' Report

The Annexure B referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of SPS Steels Rolling Mills Limited on the Standalone Financial Statements for the year ended 31st March, 2024.

Report on the Internal Financial Control with reference to the aforesaid Standalone Financial Statements under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("The Act").

We have audited the internal financial controls with reference to financial reporting of SPS Steels Rolling Mills Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 with reference to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of internal financial controls with reference to 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial reporting, including the possibility of collusion or improper management with reference to ride 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 with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31st March 2024, based on the internal control with reference to 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 with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata
Date: 30th May, 2024

SPS STEELS ROLLING MILLS LIMITED
Standalone Balance Sheet as at 31st March, 2024

		(Rs. in Lakhs)	
	Note	As at 31.03.2024	As at 31.03.2023
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	42,306.33	36,187.91
(b) Right of use assets	4	2,458.01	2,598.84
(c) Capital work-in-progress	5	3,827.26	3,495.74
(d) Other Intangible Assets	6	18.60	22.99
(e) Financial Assets			
(i) Investments	7	1,453.74	1,397.45
(ii) Other Financial Assets	8	1,111.13	771.26
(f) Deferred Tax assets (net)	9	412.99	1,509.51
(g) Other Non-Current assets	10	337.61	786.11
Total Non-current assets		51,925.67	46,769.81
2 Current assets			
(a) Inventories	11	26,272.35	19,650.54
(b) Financial assets			
(i) Trade receivables	12	17,037.96	14,459.11
(ii) Cash and cash equivalents	13	42.31	2,525.93
(c) Current tax assets (net)	14	544.89	330.35
(d) Other current assets	10	16,700.53	12,206.24
Total Current assets		60,598.04	49,172.17
TOTAL ASSETS		1,12,523.71	95,941.98
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	8,050.00	8,050.00
(b) Other equity	16	48,721.60	38,257.81
Total Equity		56,771.60	46,307.81
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
Borrowings	17	17,893.01	22,029.24
(b) Provisions	18	388.65	324.25
Total Non-current liabilities		18,281.66	22,353.49
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	19,591.34	10,961.52
(ii) Trade payables	19		
- total outstanding dues of micro & small enterprises;		120.18	76.95
- total outstanding dues of creditors other than micro and small enterprises		5,831.84	7,982.98
(b) Other current liabilities	20	7,243.50	5,725.04
(c) Provisions	18	4,683.60	2,534.19
Total Current liabilities		37,470.46	27,280.68
TOTAL EQUITY AND LIABILITIES		1,12,523.71	95,941.98

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Place: Kolkata

Date: 30.05.2024

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

SPS STEELS ROLLING MILLS LIMITED**Standalone Statement of Profit and Loss for the year ended 31st March, 2024****(Rs. in Lakhs)**

	Note	Year ended 31.03.2024	Year ended 31.03.2023
I Revenue from operations	21	1,77,110.38	1,73,641.72
II Other income	22	372.02	3,428.92
III Total income (I + II)		1,77,482.40	1,77,070.64
IV Expenses			
Cost of materials consumed	23	95,672.02	88,148.87
Purchase of stock-in-trade		32,910.27	40,793.25
Changes in inventories of finished goods and stock-in-trade	24	(7,103.38)	(3,676.33)
Employee benefits expense	25	3,893.18	2,836.33
Finance costs	26	4,628.19	3,192.89
Depreciation and amortisation expense	27	2,997.24	2,644.01
Other expenses	28	32,986.74	31,833.23
Total expenses (IV)		1,65,984.26	1,65,772.25
V Profit before tax (III- IV)		11,498.14	11,298.39
VI Tax :			
Current tax		-	-
Deferred tax		1,075.16	(1,509.51)
VII Profit for the year (V-VI)		10,422.98	12,807.90
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of Defined Benefit Plan		4.86	(9.30)
(b) Fair value changes of investments in mutual fund		56.29	(2.58)
(ii) Income tax on items that will not be reclassified subsequently to profit and loss		(21.37)	-
Other comprehensive income/(Loss) for the year		39.78	(11.88)
IX Total comprehensive income for the year (VII+VIII)		10,462.76	12,796.03
X Earnings per equity share	29		
[Face value of equity share Rs. 10 each (PY Rs. 10 each)]			
- Basic		12.95	18.75
- Diluted		12.95	18.75

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Place: Kolkata

Date: 30.05.2024

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

SPS STEELS ROLLING MILLS LIMITED
Standalone Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in Lakhs)

	Year ended 31.03.2024	Year ended 31.03.2023
A Cash flow from operating activities		
Profit Before Tax	11,498.14	11,298.39
Adjustment for Non-Cash/Non-Operating Items		
Interest income	(130.38)	(546.06)
Depreciation and amortisation expense	2,997.24	2,644.01
Finance costs	4,628.19	3,192.89
Allowance for doubtful receivables	306.77	4,255.32
Provision for inventories	28.93	-
Sundry balance written off	-	122.36
Loss on sale of property, plant and equipments	12.71	58.26
Liabilities written back	(53.48)	(2,799.20)
Operating profit before working capital changes	19,288.12	18,225.97
Adjustment for Working Capital Changes		
Trade receivables, advances and other assets	(6,951.28)	3,053.41
Inventories	(6,650.74)	(4,426.41)
Trade payables, other liabilities and provisions	1,682.68	6,362.52
Cash generated from operations	7,368.78	23,215.49
Income tax paid	(214.53)	(15.37)
Net Cash from operating activities	7,154.25	23,200.11
B Cash flow from investing activities		
Acquisition of property, plant and equipment & Expenditure on Capital Work-in-Progress	(9,400.50)	(17,355.24)
Proceeds from sale of property, plant and equipment	85.85	135.24
Investment in Term deposit	(0.01)	(1,400.00)
(Investment)/Redemption of fixed deposits	(320.00)	4,829.86
Interest received	130.38	546.06
Net cash used in investing activities	(9,504.28)	(13,244.08)
C Cash flow from financing activities		
Proceeds /(Re-payment) of borrowings	4,493.59	(16,489.32)
Proceeds from issue of Equity share capital (including Securities Premium)	-	12,200.00
Interest paid	(4,628.19)	(3,192.89)
Net cash used in financing activities	(134.60)	(7,482.21)
Net increase in cash & cash equivalents	(2,484.63)	2,473.82
Cash & Cash equivalents at beginning of the year	2,525.92	52.10
Add : Transferred from Business Re-organisation Reserve A/c	1.03	-
Cash & Cash equivalents at closing of the year	42.31	2,525.92

Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS- 7 on Statement of Cash Flows.
- Figures for the previous year have been regrouped/rearranged wherever necessary.

Company Information and Material Accounting Policy and the accompanying Notes form part of the Standalone Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES
Chartered Accountants
Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)
Partner
Membership No. 050051

Deepak Kumar Agarwal
Director
DIN : 00646153

Ashok Kumar Sharma
Director
DIN : 09273096

Place: Kolkata
Date: 30.05.2024

Binod Kumar Agrawal
Chief Financial Officer
AGEPA5572F

Ashutosh Sharma
Company Secretary
M. No.: 9045

SPS STEELS ROLLING MILLS LIMITED

Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(Rs. in Lakhs)

A. Equity share capital

1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
8,050.00	-	8,050.00

2) Previous Reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
5,000.00	3,050.00	8,050.00

B. Other equity

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings		
Balance as at 1 April 2022	-	48,071.04	8,846.68	(40,605.94)	-	16,311.79
Profit or Loss for the year	-	-	-	12,807.90	-	12,807.90
Additional depreciation due to Revaluation	-	-	(1,409.06)	1,409.06	-	-
Other Comprehensive Income	-	-	-	(9.30)	(2.58)	(11.88)
Total Comprehensive Income	-	-	(1,409.06)	14,207.67	(2.58)	12,796.03
Transferred to Business Re-organisation Reserve	-	-	-	-	-	-
Addition on allotment	9,150.00	-	-	-	-	9,150.00
Balance as at 31 March 2023	9,150.00	48,071.04	7,437.62	(26,398.28)	(2.58)	38,257.81
Profit or Loss for the year	-	-	-	10,422.98	-	10,422.98
Additional Depreciation due to Revaluation	-	-	(1,603.77)	1,603.77	-	-
Other Comprehensive Income	-	-	-	3.16	36.62	39.78
Total Comprehensive Income	-	-	(1,603.77)	12,029.91	36.62	10,462.76
Transferred to Business Re-organisation Reserve	-	1.03	-	-	-	1.03
Addition on allotment	-	-	-	-	-	-
Balance as at 31st March, 2024	9,150.00	48,072.07	5,833.85	(14,368.36)	34.04	48,721.60

Company Information and Material Accounting Policy and the accompanying Notes form part of the Standalone Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Place: Kolkata

Date: 30.05.2024

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

1. Corporate information

The Company is a public limited Company incorporated in India on 26th December, 1981 having its registered office at Diamond Prestige, 41A, A.J.C. Bose Road, 7th Floor, Room No -701, Kolkata-700017. The Company's shares are listed in Calcutta Stock Exchange Limited.

The Company is principally engaged in the business of manufacturing and trading of iron and steel products and is the owner of the "Elegant" brand.

The Standalone Financial Statements are approved for issue by the company's Board of Directors on May 30, 2024.

2. Material Accounting policy

a. Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with the provisions of Companies Act, 2013 and in compliance with the Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

b. Basis of preparation

The Standalone Financial Statements are prepared under the historical cost convention on the accrual basis following the Going Concern principles except for Derivative Financial Instruments, Plan Assets related to employee benefits and certain Financial Liabilities and Financial assets which are measured at fair values as per respective notes included hereafter.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

c. Use of judgments and estimates

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

Critical accounting judgements and key sources of estimation uncertainty

i. Useful lives of Property, plant and equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii. Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. Recognition and measurement of provisions and contingencies:

There are certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

d. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

Current versus Non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle.
- ii. It is held primarily for the purpose of trading.
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS or at revalued figures, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset. The additional depreciation on account of revaluation has been debited from revaluation reserve and credited to retained earnings.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Non-current Asset held for sale'.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

When an item of Property, Plant and Equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset based on independent valuers report.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

f. Intangible assets

Cost of intangible assets are capitalised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, the cost of the asset can be measured reliably and the asset is ready for its intended use. Intangible assets are stated at the amount initially recognized less accumulated amortization and accumulated impairment losses.

The Company follows cost model for recognition and measurement of intangible assets. Cost of computer software is amortized over the useful life not exceeding five years from the date of capitalization. Any intangible asset, when determined obsolete and of no further use, is written off.

g. Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment and intangible assets to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised prospectively. Depreciation on assets under construction commences only when the assets are ready for their intended use.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

The estimated useful lives, which are subject to change, for main categories of property, plant and equipment and intangible assets are:

Building	30 years
Plant & Machinery	15/20/25 years
Furniture & Fixtures	10 years
Motor Vehicle	8 years
Office Equipment	5 years
Computer and Data Processing	3/6 years

h. Impairment

Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased materially since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases materially since its initial recognition. The Company's trade receivables do not contain material financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

i. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

The Company as lessee

The Company accounts for each lease component within the contract as a lease separately from non lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

In a sale and lease back transaction, the Company measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

the right-of-use retained. The gain or loss that the company recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

j. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

k. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

l. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

i. Financial assets

*** Cash and bank balances**

Cash and bank balances consist of:

- i. Cash and cash equivalents - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an immaterial risk of change in value and have original maturities of less than 3 months. These balances with banks are unrestricted for withdrawal and usage.
- ii. Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

*** Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*** Financial assets at FVTOCI**

Financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

*** Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

* **Financial assets at FVTPL**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

* **Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

* **Dividend income**

Dividend income from investments is recognised when the right to receive payment has been established.

* **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

ii. **Financial liabilities and equity instruments**

Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

* **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

* **Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is material.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

*** De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

*** Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

m. Employee Benefits

*** Defined contribution plans**

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

*** Defined benefit plans**

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date.

Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

*** Leave Encashment:**

Liability for leave encashment is provided on the basis of valuation by an independent Actuary as at the year end.

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

n. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis.

o. Provisions (other than for employee benefits), Contingent Liabilities and Contingent Assets

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis. Constructive obligation is an obligation that derives from an entity's actions where:

- i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements.

p. Tax Expenses

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

Income Tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax Expenses

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction. Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

q. Revenue

The Company manufactures and sells a range of steel and other products.

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any. Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a material reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

r. Foreign currency transactions and translations

The Standalone Financial Statements of the Company are presented in Indian Rupees (“₹”), which is the functional currency of the Company and the presentation currency for the Standalone Financial Statements. In preparing the Standalone Financial Statements, transactions in currencies other than the Company’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the re-translation or settlement of monetary items are included in the statement of profit and loss for the period.

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

s. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss. Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

t. Events occurring after balance sheet date

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors.

u. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segment for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

v. Earnings per Share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

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Notes to the Standalone Financial Statements for the year ended 31 March, 2024

3. Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company applied these amendments for the first-time.

▪ Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's Standalone Financial Statements.

▪ Disclosure of Accounting Policies - Amendments to Ind AS 1

a) The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

b) The amendments had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's Standalone Financial Statements.

▪ Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

a) The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

b) The Company has already recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets, accordingly there is no impact on its Standalone Financial Statements. Also, since balances qualify for offset as per the requirements of Paragraph 74 of Ind AS 12, there is no impact in the Balance Sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34. The Company has evaluated the requirements of the amendments and there is no impact on its Standalone Financial Statements.

There are no standards that are notified and not yet effective as on the date.

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules as issued from time to time. As on 31st March, 2024 no such pronouncements were announced by MCA.

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Notes to the Standalone Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

3 Property, Plant and Equipment

	Freehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total
A. Gross carrying amount							
As at April 1, 2022	528.71	8,000.26	15,644.97	79.54	67.22	15.20	24,335.90
Additions	83.77	4,451.38	16,462.94	-	18.58	5.93	21,022.60
Deletions / Disposal	-	(92.20)	(62.26)	-	-	-	(154.46)
As at March 31, 2023	612.48	12,359.44	32,045.65	79.54	85.80	21.13	45,204.04
Additions	-	530.64	8,056.07	457.92	17.45	6.55	9,068.63
Deletions / Disposal	-	-	(99.71)	-	-	(0.42)	(100.13)
As at March 31, 2024	612.48	12,890.08	40,002.02	537.45	103.25	27.26	54,172.54
B. Depreciation							
Upto March 31, 2022	-	1,950.34	4,501.63	48.02	46.71	9.51	6,556.21
For the year	-	639.44	1,847.09	2.71	3.77	5.10	2,498.12
Deletions / Disposal	-	(32.15)	(6.05)	-	-	-	(38.19)
As at March 31, 2023	-	2,557.63	6,342.68	50.74	50.48	14.61	9,016.13
For the year	-	704.59	2,117.31	18.26	7.14	4.35	2,851.65
Deletions / Disposal	-	-	(1.51)	-	-	(0.06)	(1.57)
As at March 31, 2024	-	3,262.22	8,458.48	68.99	57.62	18.90	11,866.21
C. Net Carrying Amount							
As at March 31, 2023	612.48	9,801.82	25,702.97	28.81	35.32	6.52	36,187.91
As at March 31, 2024	612.48	9,627.86	31,543.53	468.46	45.63	8.35	42,306.33

(a) Carrying amount of revalued assets under cost model

	As at 31.03.2024	As at 31.03.2023
Freehold Land	227.01	227.01
Building	7,940.94	7,411.22
Plant and equipment	30,618.39	23,062.46
Vehicles	471.84	29.48
Office Equipment	49.75	34.01
Computers	12.51	7.48
	39,320.44	30,771.66

(a) During FY 2019-20, Fixed Assets of the Company were revalued as per the Report of Registered Valuer which resulted in net addition of INR 13,369.00 lakhs. Depreciation on the enhanced amount on revaluation amounting to Rs 1,603.77 lakhs (PY Rs 1,409.06 lakhs) has been transferred from revaluation reserve to Retained Earnings.

(b) The title deeds of all immovable properties (other than Right of Use assets) are held in the name of the Company.

(c) Details of Property, Plant & Equipment pledged against borrowings is as presented in Note 17.

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
4 Right of Use Assets		
Leasehold Land		
a) Gross carrying amount (at cost or deemed cost)		
Balance at the beginning of the year	3,148.03	3,290.04
Adjustment made during the year*	-	(142.01)
Balance at the end of the year	<u>3,148.03</u>	<u>3,148.03</u>
b) Depreciation		
Balance at the beginning of the year	549.18	430.12
For the year	140.84	140.84
Adjustment made during the year	-	(21.77)
Balance at the end of the year	<u>690.02</u>	<u>549.18</u>
Net Carrying Amount (a) - (b)	<u><u>2,458.01</u></u>	<u><u>2,598.84</u></u>

Note 1: The company has recognised ROU Assets as Lessee. However, since the entire consideration had been paid in advance, hence Lease liability is Nil and accordingly there is no impact in Profit & Loss statement regarding finance cost.

***Note 2:** Pursuant to the order of Hon'ble High Court dated 20.03.2023, Asansol Durgapur Development Authority has refunded Rs 142.01 lakhs on 29.04.2023 to the company which was paid to them towards change of title of lease hold land and capitalized during F.Y 2019-20. As such, the same has been adjusted during the previous year.

5 Capital work-in-progress		
Balance as at the beginning of the year	3,495.74	7,120.10
Additions during the year	7,963.91	17,284.74
Transferred to Property, Plant & Equipment*	(7,632.39)	(20,909.10)
Balance at the end of the year	<u>3,827.26</u>	<u>3,495.74</u>

* The Company has commissioned the Durgapur plants during the year.

Capital Work in Progress ageing schedule	Amount in CWIP for a period of				Total
	< 1 Year	1-2 years	2-3 years	> 3 years	
As on 31.03.2024	3,633.36	193.90	-	-	3,827.26
As on 31.03.2023	3,304.36	191.38	-	-	3,495.74

6 Other Intangible Assets		
Computer Software		
a) Gross carrying amount		
Balance as at the beginning of the year	38.02	38.02
Additions	0.35	-
Balance at the end of the year	<u>38.37</u>	<u>38.02</u>
b) Depreciation		
Balance as at the beginning of the year	15.02	9.98
For the year	4.75	5.05
Balance at the end of the year	<u>19.77</u>	<u>15.02</u>
Net Carrying Amount (a) - (b)	<u><u>18.60</u></u>	<u><u>22.99</u></u>

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
7 Non-current Investments		
(i) Unquoted investments carried at amortised cost		
In equity shares of subsidiary		
SPS Metal Cast & Alloys Ltd (1,30,00,000 Equity Shares of Rs. 10/- each)	1,300.00	1,300.00
Other equity shares		
Shivalik Solid Waste Management Ltd (250 Equity Shares of Rs. 10/- each)	0.03	0.03
(ii) Unquoted Investment carried at fair value through other comprehensive income (FVTOCI)		
Motilal Oswal India Excellence Fund - Mid to Mega - Series II	153.71	97.42
Total	1,453.74	1,397.45
Aggregate market value of unquoted investments	1,453.74	1,397.45
8 Other Financial Assets		
Non-Current		
Security deposit	166.31	146.43
Bank Deposits *	944.82	624.83
Total	1,111.13	771.26
* Bank Deposits of Rs 908.06 lakhs (Previous Year - Rs 624.83 lakhs) has been liened with banks against Non-fund based credit limits.		
9 Deferred Tax Asset (Net)		
Deferred tax Asset	6,544.59	4,988.90
Deferred Tax Liability	6,131.60	3,479.39
	412.99	1,509.51
Components of Deferred Tax Asset and Liability:		
Deferred Tax Asset*:		
Fair value loss on investment	-	0.90
Remeasurement of defined benefit plans	170.66	-
Unabsorbed Depreciation	1,345.42	-
Provisions	3,853.58	-
Brought Forward Losses	1,174.92	4,988.00
	6,544.59	4,988.90
Deferred Tax Liability:		
Depreciation & Amortization expenses	4,074.25	3,449.61
Fair value gain on investment	18.77	-
Revaluation of Assets	2,038.58	-
Defined Benefit Plans	-	29.78
	6,131.60	3,479.39
Net Deferred Tax Asset	412.99	1,509.51
10 Other Assets		
Non-Current		
Capital advances	337.61	786.11
	337.61	786.11
Current		
Advance to suppliers		
- Related Party (Refer Note-33)	3,212.53	2,886.87
- Others	12,615.49	9,222.42
Advance to employees	21.11	18.88
Balances with government authorities	763.96	45.37
Pre-paid expenses	87.45	32.70
	16,700.53	12,206.24

	As at 31.03.2024	As at 31.03.2023
11 Inventories		
Raw materials	7,225.25	7,146.10
Stock in trade	626.01	526.72
Stores and spares	2,628.01	3,159.80
Finished goods	15,822.01	8,817.92
	<u>26,301.28</u>	<u>19,650.54</u>
Less: Provision for obsolescence		
Stores and spares	28.93	-
	<u>26,272.35</u>	<u>19,650.54</u>
12 Trade Receivables		
Unsecured, considered good	17,344.72	14,459.11
Credit impaired	10,692.18	10,692.18
	<u>28,036.90</u>	<u>25,151.29</u>
Less: Allowance for credit losses	10,998.94	10,692.18
	<u>17,037.96</u>	<u>14,459.11</u>

Trade Receivables ageing schedule as on 31.03.2024

Particulars	Outstanding for following periods from due dates of payments					Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivable considered good	16,584.84	218.25	267.89	84.88	188.86	17,344.72
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	10,692.18	10,692.18
Total	16,584.84	218.25	267.89	84.88	10,881.04	28,036.90

Trade Receivables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due dates of payments					Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivable considered good	13,670.30	441.34	106.98	-	240.49	14,459.11
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	10,692.18	10,692.18
Total	13,670.30	441.34	106.98	-	10,932.67	25,151.29

13 Cash and cash equivalents

Balances with banks		
- Current accounts	0.20	4.21
- Trust and Retention Accounts	4.46	580.01
- Cash Credit (favourable balance)	-	1,940.52
Cash in hand (as certified by the management)	37.65	1.19
	<u>42.31</u>	<u>2,525.93</u>

14 Current tax assets

Income taxes paid	544.89	330.35
	<u>544.89</u>	<u>330.35</u>

	As at 31.03.2024	As at 31.03.2023
15 Equity share capital		
Authorised		
8,25,00,000 (Previous Year 8,25,00,000) Equity Shares of Rs. 10/- each	8,250.00	8,250.00
Issued, subscribed and paid up		
8,05,00,000 (Previous Year 8,05,00,000) Equity Shares of Rs.10/- each fully Paid up	8,050.00	8,050.00
A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year		
Balance as at the beginning of the year	8,05,00,000	5,00,00,000
Add : Issued during the year	-	3,05,00,000
Balance as at the end of the year	<u>8,05,00,000</u>	<u>8,05,00,000</u>

Note 1: The Authorised Share Capital has been increased by Ordinary Resolution passed at the general meeting of the Company on 30th July, 2022 from Rs.5000.00 lakhs to Rs 8250.00 lakhs divided into 8,25,00,000 Equity Shares of Rs 10 each, by creation of additional 3,25,00,000 Equity shares of Rs 10 each ranking pari-passu in all respects with the existing Equity Shares of the Company.

Note 2: On 25th August, 2022, the Company has issued and allotted 3,05,00,000 equity shares of Rs 10/- each at Rs 40/- per equity share (including a premium of Rs 30/- per share) on preferential basis aggregating to Rs 12,200.00 lakhs, ranking pari-passu in all respects with the existing Equity Share Capital of the Company. The Calcutta Stock Exchange Ltd. has granted the listing permission of the above shares on 27th September, 2022.

B. Rights, preferences and restrictions attaching to equity shares

- (i) The Company has only one class of Equity Shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation, the shareholders of equity shares of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) The shareholders have the right to declare and approve dividend, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than that recommended by the Board of Directors.

Shares held by the promoters at the end of the year :

Promoter's Name	As at 31st March, 2024		As at 31st March 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Krishna Sudama Marketing Private Limited	30,00,000	3.73%	30,00,000	3.73%	-
Swapno Marketing Private Limited	80,00,000	9.94%	80,00,000	9.94%	-
Aryavrat Plot Managers Private Limited	91,91,406	11.42%	91,91,406	11.42%	-
BMS Sales Private Limited	72,91,342	9.06%	72,91,342	9.06%	-
Shakambari Tie-Up Private Limited	99,75,000	12.39%	99,75,000	12.39%	-
Shivratri Vyapaar Pvt.Ltd.	20,00,000	2.48%	20,00,000	2.48%	-
Shivkripa Commercial Pvt. Ltd.	20,00,000	2.48%	20,00,000	2.48%	-

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the Shareholder	As at 31 March 2024			As at 31 March 2023		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Shakambari Tie-Up Private Limited	99,75,000	12.39%	-	99,75,000	12.39%	-
Swapno Marketing Private Limited	80,00,000	9.94%	-	80,00,000	9.94%	-
Aryavrat Plot Managers Private Limited	91,91,406	11.42%	-	91,91,406	11.42%	-
BMS Sales Private Limited	72,91,342	9.06%	-	72,91,342	9.06%	-
Cancon Agencies Private Limited	1,06,00,000	13.17%	-	1,06,00,000	13.17%	-
Expeditors Distributors Private Limited	1,00,00,000	12.42%	-	1,00,00,000	12.42%	-
Shree Sudharshan Castings Private Limited	65,00,000	8.07%	-	65,00,000	8.07%	-

16 Other Equity

Particulars	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained Earning	Equity instruments through other comprehensive income	Total
Balance as on 1st April 2022	-	48,071.04	8,846.68	(40,605.94)	-	16,311.78
Transferred to Business Re-organisation Reserve	-	-	-	-	-	-
Profit or Loss for the year	-	-	-	12,807.90	-	12,807.90
Increased depreciation due to upward revaluation	-	-	(1,409.06)	1,409.06	-	-
Other Comprehensive Income	-	-	-	(9.30)	(2.58)	(11.88)
Total Comprehensive Income	-	-	(1,409.06)	14,207.67	(2.58)	12,796.03
Transferred to Business Re-organisation Reserve	-	-	-	-	-	-
Allotment of Equity share	9,150.00	-	-	-	-	9,150.00
Balance as on 1st April 2023	9,150.00	48,071.04	7,437.62	(26,398.27)	(2.58)	38,257.81
Profit or Loss for the year	-	-	-	10,422.98	-	10,422.98
Increased depreciation due to upward revaluation	-	-	(1,603.77)	1,603.77	-	-
Other Comprehensive Income	-	-	-	3.16	36.62	39.78
Total Comprehensive Income	-	-	(1,603.77)	12,029.91	36.62	10,462.76
Transferred to Business Re-organisation Reserve	-	1.03	-	-	-	1.03
Allotment of Equity share	-	-	-	-	-	-
Balance as on 31st March 2024	9,150.00	48,072.07	5,833.85	(14,368.36)	34.04	48,721.60

Nature and purpose of reserves

- Securities Premium:** Securities Premium represents the excess of the amount received over the face value of the shares. This reserve will be utilized in accordance with the provisions of the Companies Act, 2013.
- Business Re-organisation Reserve:** Business Re-organisation Reserve is the reserve which is created by transferring capital items such as the share capital, reserves, loans and deposits outstanding prior to take over as per NCLT Order and not admitted by RP (Resolution Professional) . This reserve is not available for distribution of dividend.
- Revaluation Reserve:** Cumulative gains and losses arising from fair value changes of upward revaluation of Property, Plant and Equipment measured at fair value through other comprehensive income are recognised in revaluation reserve. The Company has elected to transfer such surplus directly to retained earnings when the asset is derecognised.
- Retained earnings:** Retained Earnings represents accumulated Profit and losses of the company as on reporting date. Such Profits and losses are arrived after adjustment of payment of dividend, transfer to any reserves as Statutorily required and adjustment for realised gain/loss on derecognition of Equity Instruments measured at FVTOCI. Remeasurement of Defined Benefit is also adjusted. This includes Other Comprehensive Income of Rs. 8.29 lakhs (31st March 2023: Rs. 5.13 lakhs) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.
- Equity instruments through other comprehensive income:** Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

		As at 31.03.2024	As at 31.03.2023
17 Borrowings			
Non-current			
Secured			
(i) Term Loans			
a. From Punjab National Bank	12,569.76		16,917.96
Less: Current maturities	<u>(5,851.88)</u>	6,717.88	<u>(4,500.00)</u>
			12,417.96
b. From Indian Bank	2,519.36		3,021.91
Less: Current maturities	<u>(519.36)</u>	2,000.00	<u>(400.00)</u>
			2,621.91
c. From State Bank of India	7,079.76		2,602.25
Less: Current maturities	<u>(855.76)</u>	6,224.00	<u>-</u>
			2,602.25
(ii) Working Capital Term Loans			
GECL Loans	4,374.83		5,645.00
Less: Current maturities	<u>(1,693.50)</u>	2,681.33	<u>(1,270.13)</u>
			4,374.87
(iii) Auto loan	398.92		16.70
Less: Current maturities	<u>(129.11)</u>	269.80	<u>(4.46)</u>
			12.24
		<u>17,893.01</u>	<u>22,029.24</u>

Repayment Terms	Securities	
	Primary	Collateral
Term Loans		
a) Punjab National Bank- Rs. 16,500 Lakhs - repayable in 20 quarterly instalments varying from Rs. 400 Lakhs to Rs.1,225 Lakhs beginning from September 2019.	1st pari passu charge on all the fixed assets , movable as well as immovable, both present and future, including CWIP and the proposed expansion project, located at Dr Zakir Hussain Avenue, GT Road, Durgapur of Unit -1 under consortium with other term lenders on reciprocal basis.	2nd pari passu charge on entire current assets of the Company as a whole both present and future.
Punjab National Bank- Rs. 3,000 Lakhs- repayable in 30 Equated quarterly instalments of Rs. 100 Lakhs beginning from June 2023.		Mortgage on the property at 6th Floor Flat No.10604 together with CAR parking space in Tower 1,"Fort Oasis" situated at 37, Panditia Road, P.S. Lake. Kolkata 700029 owned by Starwise Vincom Pvt Ltd., a group company.
Punjab National Bank- Rs. 4,000 Lakhs - repayable in 32 varying quarterly instalments from Rs. 87 Lakhs to Rs.163 Lakhs beginning from June 2024.		Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors), Swati Agarwal (Guarantor) Corporate Guarantees of: Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd
State Bank of India- Rs. 2,500 Lakhs-repayable in 29 varying quarterly instalments from Rs. 13 Lakhs to Rs.156 Lakhs beginning from June 2024.		Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors), Swati Agarwal (Guarantor) Corporate Guarantees of: Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd
Indian Bank- repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.		
b) Punjab National Bank -Rs. 2,500 Lakhs - repayable in 29 varying quarterly instalments from Rs. 25 Lakhs to Rs.157 Lakhs beginning from June 2024.	1st pari passu charge on all the fixed assets, movable as well as immovable, both present and future, including CWIP and the proposed expansion project, lying at Poradiha village, Purulia District, of Unit -II under consortium along with other term lenders on reciprocal basis.	First pari passu charge by way of assignment of brand "Elegant"
State Bank of India- Rs. 7,500 Lakhs - repayable in 32 varying quarterly instalments from Rs.163 Lakhs to Rs.307 Lakhs beginning from June 2024.		
Other Loans		Primary Security
a) Working Capital Term Loan under GECL		
From Punjab National Bank, for Rs. 4,516 Lakhs; repayable in 48 equated monthly instalments of Rs. 94 Lakhs beginning from April 2022.		Extension of charge over entire current assets of the Company as a whole both present and future.
From Punjab National Bank , for Rs. 2,258 Lakhs and is repayable in 48 equated monthly instalments of Rs. 4,704 Lakhs beginning from January 2024.		
b) Auto Loan		
From Punjab National Bank, is repayable in 60 equated monthly instalments of Rs. 0.47 Lakhs beginning from April 2022.		Against hypothecation of Toyota Innova Crysta 2.4 ZX Diesel BS Model:2022
From Axis Bank, is repayable in 47 monthly instalments of Rs 10.12 Lakhs starting from October 2023.		
From Canara Bank, is repayable in 60 monthly instalments of Rs 0.75 Lakhs starting from October 2023.		Against hypothecation of the motors acquired under respective vehicle loans.

	As at 31.03.2024		As at 31.03.2023	
Current Secured				
(i) Current Maturities				
For Term Loans	7,227.00		4,900.00	
For Working Capital Term Loan under GECL	1,693.50		1,270.13	
For Auto Loan	129.11	9,049.62	4.46	6,174.59
(ii) Working Capital Loans				
- Punjab National Bank	4,953.53		-	
- Indian Bank	1,826.46		217.83	
- Canara Bank	746.53		1067.58	
- State Bank of India	3,015.20	10,541.72	3501.52	4786.93
		<u>19,591.34</u>		<u>10961.52</u>
Security for Working Capital Loans:				
Primary				
a) 1st pari-passu charge under consortium arrangement on all Current Assets, present and future, including stocks, book debts, and other current assets of iron and steel materials store or to be stored at Dr. Zakir Hussain Avenue, G. T. Road, Durgapur, West Bengal and at Vill. - Poradiha, Police Station - Santuri, Dist- Purulia (West Bengal)-723145				
b) 2nd Charge on all existing and proposed fixed assets and other non-current assets of Unit I & Unit II of the Company on pari-passu basis.				
Secondary				
c) Pari-passu second charge with term lenders on property at 6th Floor Flat No.10604 together with car parking space in Tower 1, Fort Oasis situated at 37, Panditia Road, P.S. Lake. Kolkata 700029				
d) Second pari passu charge by way of assignment of brand Elegant.				
e) Personal Guarantees of: Mr Deepak Kumar Agarwal, Mr Ramavatar Agarwal (Promoter Directors) and Mrs Swati Agarwal (Guarantor)				
f) Corporate Guarantees of Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd				
18 Provisions				
Non-current				
Provisions for employee benefits				
- For gratuity	315.04		264.15	
- For leave salary	73.61	388.65	60.10	324.25
Current				
Provisions for employee benefits				
- For gratuity	20.27		19.94	
- For leave salary	7.46		4.06	
- For bonus	72.02		56.90	
Provisions for expenses	4,583.86	4,683.60	2,453.30	2,534.19
		<u>5,072.25</u>		<u>2,858.44</u>

	As at 31.03.2024	As at 31.03.2023
19 Trade Payables		
Due to Micro & Small Enterprises	120.18	76.95
Due to other than Micro & Small Enterprises:		
- For goods and services	4,625.39	7,195.25
- For other expenses	1,206.45	787.73
	<u>5,952.02</u>	<u>8,059.93</u>

Trade Payables ageing schedule as on 31.03.2024

Particulars	Outstanding for following periods from due dates of payments				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	120.18	-	-	-	120.18
Others	5,765.27	17.62	36.87	12.08	5,831.84
Total	5,885.45	17.62	36.87	12.08	5,952.02

Trade Payables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due dates of payments				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	76.95	-	-	-	76.95
Others	7,825.31	134.23	23.44	-	7,982.98
Total	7,902.26	134.23	23.44	-	8,059.93

Note : The company has identified Micro & Small Enterprises to whom the company owes dues as under:

Particulars	As at 31.03.2024	As at 31.03.2023
a) The principal amount remaining unpaid to MSMEs supplier	120.18	76.93
b) The interest due thereon remaining unpaid to MSMEs supplier	-	0.02
c) The amount of interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of the year	-	0.02
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

20 Other current liabilities				
Revenue received in advance				
Advance from customers	5,553.33		4,445.81	
Advance from related party	-	5,553.33	5.42	4,451.24
Others				
Creditors for Capital goods	187.22		-	
Statutory liabilities	1,226.80		1,043.30	
Liabilities for expenses	276.16	1,690.18	230.51	1,273.80
		<u>7,243.50</u>		<u>5,725.04</u>

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

	Year ended 31.03.2024		Year ended 31.03.2023	
21 Revenue from operations				
Sale of products				
- Finished goods	1,30,687.28		1,19,405.56	
- Traded goods	<u>43,279.44</u>	1,73,966.72	<u>51,374.28</u>	1,70,779.84
Other operating revenues				
- Sale of raw materials and stores		3,143.66		2,861.88
		<u>1,77,110.38</u>		<u>1,73,641.72</u>
22 Other income				
Interest income:				
- Deposits with banks	38.20		19.13	
- Others	<u>92.18</u>	130.38	<u>526.93</u>	546.06
Licence Income	-		22.50	
Rent Income	1.90		-	
Royalty Income	14.00		5.00	
Foreign Exchange Fluctuation Gain	17.08		3.26	
Miscellaneous receipts	155.18		52.90	
Liabilities no longer required written back	<u>53.48</u>	241.64	<u>2,799.20</u>	2,882.86
		<u>372.02</u>		<u>3,428.92</u>
23 Cost of materials consumed				
Inventory of raw materials at the beginning of the year		7,146.10		5,079.55
Add: Purchases		<u>95,751.17</u>		<u>90,215.42</u>
		1,02,897.27		95,294.97
Less: Inventory of raw materials at the end of the year		<u>(7,225.25)</u>		<u>(7,146.10)</u>
		<u>95,672.02</u>		<u>88,148.87</u>
24 Changes in inventories of finished goods and stock in trade				
Opening stock				
Finished goods	8,817.92		4,574.03	
Traded goods	<u>526.72</u>	9,344.64	<u>1,094.29</u>	5,668.32
Less :- Closing Stock				
Finished goods	15,822.01		8,817.92	
Traded goods	<u>626.01</u>	16,448.02	<u>526.72</u>	9,344.65
		<u>(7,103.38)</u>		<u>(3,676.33)</u>
25 Employee benefits expense				
Salaries and Wages		3,448.69		2,478.35
Directors' Remuneration		95.10		39.25
Contribution to provident and other funds		333.84		290.19
Staff welfare expenses		<u>15.56</u>		<u>28.55</u>
		<u>3,893.18</u>		<u>2,836.33</u>

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

	Year ended 31.03.2024	Year ended 31.03.2023
26 Finance costs		
Interest expense		
- on Term Loans	2,663.98	1,633.99
- on Working Capital Loans	1,178.54	1,006.18
- others	469.32	304.31
Bank charges & other borrowing costs	316.35	248.41
	<u>4,628.19</u>	<u>3,192.89</u>
27 Depreciation and amortisation expenses		
Property, Plant & Equipment	2,851.65	2,498.12
Right-of-use assets	140.84	140.84
Intangible Assets	4.75	5.05
	<u>2,997.24</u>	<u>2,644.01</u>
28 Other expenses		
Stores and consumables	3,671.32	2,797.35
Power and fuel consumed	12,390.63	11,168.97
Processing Labour Charges	2,494.70	2,036.93
Water Charges	74.08	52.84
Repairs and Maintenance		
- Buildings	97.98	54.34
- Plant and Machinery	157.22	108.52
- Others	28.74	10.73
Rates and Taxes	76.11	10.51
Insurance Charges	63.84	40.66
Rent	62.20	131.05
Security Charges	356.50	276.06
Hire Charges	492.84	388.03
Telephone Expenses	4.00	2.85
Travelling and Conveyance	382.51	341.64
Payments to auditor *	7.03	6.50
Legal and professional charges	268.37	208.84
CSR Expenditure (Refer Note - 37)	168.94	67.77
Freight Charges	3,182.93	3,093.99
Commission on Sales	1,127.25	940.66
Business Promotion Expenses	4,275.25	3,855.64
Advertisement expenses	3,097.96	1,729.24
Loss on sale of property, plant and equipments	12.71	58.26
Allowance for doubtful receivables	306.77	4,255.32
Provision for inventory obsolescence	28.93	-
Sundry balances written off	-	122.36
Miscellaneous expenses	157.92	74.16
Total	<u>32,986.74</u>	<u>31,833.23</u>
* Payments to auditor		
Auditor's Remuneration for		
- Statutory audit	4.00	4.00
- Tax audit	0.50	0.50
- Limited Review	2.00	2.00
- Others	0.53	-
	<u>7.03</u>	<u>6.50</u>

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
29 Basic and diluted earnings per share		
(a) Profit attributable to equity shareholders of the company (Rs.)	10,422.98	12,807.90
(b) Total number of ordinary shares outstanding for the purpose of	8,05,00,000	8,05,00,000
(c) Weighted average number of ordinary shares outstanding for	8,05,00,000	6,83,00,000
(d) Earnings per share on profit for the year (Face Value Rs. 10/-		
– Basic and Diluted (a/d)	12.95	18.75
– Diluted (b/d)	12.95	18.75
30 Contingent liability and commitments		
a) Bank Guarantees outstanding (net of margin money)	3,440.98	1,728.60
b) Claims against the Company currently under litigation	273.54	23.54
c) Capital Commitment(net of advances)	3,389.22	3,966.81

31 Segment information

Based on the guiding principles given in Ind AS 108 on Segmental Reporting issued by The Institute of Chartered Accountants of India, the Company is a single segment Company mainly engaged in the manufacturing and trading of Steel and therefore Segment Reporting is not applicable.

32 Employee Benefits

(a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

Employer's contribution to Provident Fund and ESI	243.36	80.20
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(Rs. in Lakhs)

(b) Defined benefit plans:

Statement of Assets and Liabilities for defined benefit obligation	Leave Encashment (Unfunded)		Gratuity (Unfunded)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Plan Assets	-	-	-	-
Defined benefit obligation				
Non-current	73.61	60.10	315.04	264.15
Current	7.46	4.06	20.27	19.94
Net Defined Benefit Obligation	81.07	64.16	335.31	284.09

Defined benefits - Gratuity (Unfunded)

The valuation has been carried out using the **Project Unit Credit Method** as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and related service cost. The benefits valued in this report are made in accordance with Payment of Gratuity Act 1972, as amended up to date. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 20 lakhs on superannuation, resignation, termination, disablement or on death.

These defined benefit plans expose the Company to interest rate risk, liquidity risk, salary escalation risk, demographic risk and regulatory risk.

The following tables analyse present value of defined benefit obligations, expense recognised in statement of Profit and Loss, actuarial assumptions and other information.

Reconciliation of the net defined benefit (asset)/ liability:

(i) Reconciliation of present value of defined benefit obligation	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
(a) Balance at the beginning of the year	64.16	47.22	284.09	238.16
(b) Current service cost	14.43	13.93	48.88	39.67
(c) Interest cost	4.62	3.45	20.45	17.39
(e) Actuarial (gains)/ losses recognised in other comprehensive income				
- financial assumptions	1.67	0.59	6.72	2.55
- experience adjustment	0.43	0.90	(11.57)	6.75
(f) Benefits paid	(4.24)	(1.92)	(13.26)	(20.42)
(g) Balance at the end of the year	81.07	64.16	335.31	284.09

(ii) Expense recognised in Profit or Loss	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
(a) Current service cost	14.43	13.93	48.88	39.67
(b) Interest cost	4.62	3.45	20.45	17.39
(c) Actuarial (gains) / losses	2.10	1.49	-	-
	21.15	18.87	69.33	57.06

(iii) Remeasurements recognised in Other Comprehensive Income	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	-	-	6.72	2.55
- experience adjustment	-	-	(11.57)	6.75
	-	-	(4.85)	9.30

(iv) Actuarial assumptions	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Financial Assumptions				
Discount rate (in %)	6.97%	7.20%	6.97%	7.20%
Expected rate of salary increase (in %)	5.00%	5.00%	5.00%	5.00%
Demographic Assumptions				
Mortality Rate (100%)	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Retirement age (in years)	58	58	58	58
Attrition Rates (p.a)	2	2	2	2

(vi) Sensitivity analysis	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Defined Benefit obligation (Base)(Rs. in lakhs)	81.07	64.16	335.31	284.09
(a) Discount Rate (+/- 1%)				
Decrease - Rs. in Lakhs	89.09	70.61	367.32	311.70
Decrease - % change compared to base due to sensitivity	9.89%	10.06%	9.55%	9.72%
Increase - Rs. in Lakhs	74.24	58.64	307.67	260.19
Increase - % change compared to base due to sensitivity	-8.43%	-8.61%	-8.24%	-8.41%
(b) Salary Growth Rate (+/- 1%)				
Decrease - Rs. in Lakhs	73.96	58.08	306.22	258.92
Decrease - % change compared to base due to sensitivity	-9.26%	-9.48%	-8.67%	-8.86%
Increase - Rs. in Lakhs	89.76	71.18	368.49	312.75
Increase - % change compared to base due to sensitivity	10.73%	10.94%	9.90%	10.09%
(c) Attrition Rate (-/+ 50% of base assumption)				
Decrease - Rs. in Lakhs	79.55	62.82	331.20	279.88
Decrease - % change compared to base due to sensitivity	-1.87%	-2.09%	-1.22%	-1.48%
Increase - Rs. in Lakhs	82.40	65.35	338.87	287.79
Increase - % change compared to base due to sensitivity	1.65%	1.86%	1.06%	1.30%
(d) Mortality Rate (+/- 10%)				
Decrease - Rs. in Lakhs	80.87	63.98	334.54	283.34
Decrease - % change compared to base due to sensitivity	-0.25%	-0.28%	-0.23%	-0.26%
Increase - Rs. in Lakhs	81.26	64.34	336.06	284.82
Increase - % change compared to base due to sensitivity	0.24%	0.28%	0.23%	0.26%

33 Related Party Disclosures**i) Key Management Personnel (KMP)**

Mr. Deepak Kumar Agarwal	Managing Director
Mr. Ramabatar Agarwal (Ceased w.e.f. 30.05.2023)	Executive Director
Mr. Sanjay Kumar Chowdhary (Ceased w.e.f. 14.02.2023)	Whole Time Director
Mr. Chandan Kumar Khurana (Ceased w.e.f. 01.08.2023)	Independent Director
Mr. Vikrant Ranjan (Appointed w.e.f. 30.05.2023)	Non Executive Director
Mr. Pranab Sarkar (Appointed w.e.f. 01-08-2023)	Independent Director
Mrs. Priyanka Goenka	Independent Director
Mr. Ashok Kumar Sharma	Independent Director
Mr. Ashutosh Sharma	Company Secretary
Mr. Binod Kumar Agarwal	Chief Financial Officer

ii) Wholly-owned Subsidiary Company

SPS Metal Cast & Alloys Limited (w.e.f 4th May, 2022)
Bengal Alloys & Melters Private Limited (From 17.07.2023 to 15.03.2024)
Infratex Commercial Private Limited (From 14.08.2023 to 15.03.2024)

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

iii) Private companies in which a director or manager or his relative is a member or director

Eloquent Steel Private Limited	Starwise Vincom Private Limited
Infratex Commercial Private Limited	Elegant Care Foundation
Matrivani Impex Private Limited	Bravo Sponge Iron Private Limited
Shivkripa Commercial Private Limited	CRS Enterprises Private Limited
Shivratri Vyapaar Private Limited	Eloquent Steel Iron Private Limited
Starcon Steel Trading Private Limited	Shakambhari Ispat & Power Limited
Ess Dee Aluminium Limited	Krishna Sudama Marketing Pvt Ltd
Shakambari Tie Up Private Limited	BMS Sales Private Limited

iv) Firms, in which a director, manager or his relative is a partner

City Infrapark LLP
SGI Developers LLP (w.e.f 13.03.2024)

v) Body Corporates in which a director or manager or his relative is a member or director

Damodar Valley Power Consumer's Association
Diamond Prestige Occupants Association

vi) Other related parties

Mrs. Swati Agarwala	Relative of KMP
Mrs. Tanesha Agarwala	Relative of KMP
Mr. Mridul Agarwala	Relative of KMP

(Rs. in Lakhs)

vii) The following transactions were carried out with related parties in the ordinary course of business:

Nature of transaction	Name of related party	Transaction for the year ended	
		31-03-2024	31-03-2023
Purchase of Goods	Shakambhari Ispat & Power Ltd.	69,281.92	76,045.20
	Bravo Sponge Iron Pvt. Ltd.	31,487.45	23,651.74
	Eloquent Steel Pvt. Ltd.	4,002.64	3,382.73
	Shivratri Vyapaar Pvt.Ltd.	208.91	1,620.98
	Shivkripa Commercial Pvt. Ltd.	-	1,443.45
	CRS enterprise Pvt Ltd	-	17.54
	Starcon Steel Trading Pvt Ltd	2,647.64	40.78
	Ess Dee Aluminium Limited	705.23	-
	SPS Metal Cast & Alloys Limited	455.58	-

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

The following transactions were carried out with related parties in the ordinary course of business (Continued):

Nature of transaction	Name of related party	Transaction for the year ended	
		31-03-2024	31-03-2023
Sale of Goods	Shakambhari Ispat & Power Ltd.	17,758.85	19,456.95
	Bravo Sponge Iron Pvt. Ltd.	4,375.05	1,532.32
	Eloquent Steel Pvt. Ltd.	3,985.95	5,209.95
	Ess Dee Aluminium Limited	162.55	-
Sale of Investment	SPS Metal Cast & Alloys Limited	61.00	-
Director's Remuneration	Mr. Deepak Kumar Agarwal	84.00	34.00
	Mr. Sanjay Kumar Chowdhary	-	5.25
	Mr. Vikrant Ranjan	11.10	-
Rent	Infratex Commercial Pvt Ltd	6.00	-
	Eloquent Steel Iron Pvt Ltd	54.13	47.44
Various Services	Starcon Steel Trading Pvt Ltd	29.15	28.32
Royalty Paid	Shakambhari Ispat & Power Ltd	5.90	5.90
Unsecured Loan & Advances Given	SPS Metal Cast & Alloys Limited	2,000.00	1,596.34
	Eloquent Steel Iron Pvt Ltd	-	325.00
	Krishna Sudama Marketing Pvt Ltd	-	38.50
	Starcon Steel Trading Pvt Ltd	-	20.78
	Matrivani Impex Pvt Ltd	12.00	-
	Bengal Alloys & Melters Pvt Ltd	7.50	-
Advances given (in the nature of trade)	Shivratri Vyapaar Pvt.Ltd.	2,255.00	-
	Shivkripa Commercial Pvt. Ltd.	3,928.50	-
Unsecured Loan & Advances Repaid	SPS Metal Cast & Alloys Limited	2,000.00	1,605.70
	Eloquent Steel Iron Pvt Ltd	-	1,190.00
	Krishna Sudama Marketing Pvt Ltd	-	38.50
	Starcon Steel Trading Pvt Ltd	-	174.98
	Matrivani Impex Pvt Ltd	137.65	50.64
	Bengal Alloys & Melters Pvt Ltd	7.50	-
Advances refunded (in the nature of trade)	Shivratri Vyapaar Pvt.Ltd.	1,746.31	-
	Shivkripa Commercial Pvt. Ltd.	1,288.58	-
Loans Taken	SPS Metal Cast & Alloys Limited	968.00	-
Loans Refunded	Shivkripa Commercial Pvt Ltd	-	3,550.00
	Shivratri Vyapar Pvt Ltd	-	750.00
	SPS Metal Cast & Alloys Limited	973.42	-
Interest Income	Matrivani Impex Pvt Ltd	10.84	12.45
	Shivratri Vyapar Pvt Ltd	23.14	-
	Shivkripa Commercial Pvt Ltd	40.78	-
Investment in subsidiary	SPS Metal Cast & Alloys Ltd.	-	1,300.00
Purchase of shares of Bengal Alloys & Melters Private Limited	Deepak Kumar Agarwal	21.00	-
	Swati Agarwal	33.00	-
Purchase of Shares of Infratex Commercial Private Limited	Deepak Kumar Agarwal	3.50	-
	Swati Agarwal	3.50	-
Share Alloted	Shivkripa Commercial Pvt Ltd	-	800.00
	Shivratri Vyapar Pvt Ltd	-	800.00
CSR Contribution	Elegant Care Foundation	168.00	30.80
Royalty Received	Shakambhari Ispat & Power Ltd	16.52	5.90
Rent Received	Shakambhari Ispat & Power Ltd	0.71	-
	Bravo Sponge Iron Pvt. Ltd.	0.41	-
	Eloquent Steel Pvt. Ltd.	0.41	-
	SPS Metal Cast & Alloys Limited	0.71	-
Professional Service	Tanisha Agarwal	90.00	-
Reimbursement of Expenses	SPS Metal Cast & Alloys Limited	3.60	3.30

viii) Outstanding balances:

Name of related party	Balance for the year ended	
	31-03-2024	31-03-2023
Loans Taken		
SPS Metal Cast & Alloys Ltd.	-	(5.42)
Loans & Advances Given		
Matrivani Impex Pvt Ltd	-	114.81
Advances to suppliers		
Starcon Steel Trading Pvt Ltd	-	2,709.25
Shivratri Vyapaar Pvt.Ltd.	531.83	35.98
Shivkripa Commercial Pvt. Ltd.	2,680.70	26.83
Miscellaneous		
Eloquent Steel Iron Pvt Ltd(Security Deposit)	70.00	70.00
SPS Metal Cast & Alloys Ltd.(Investment - Subsidiary)	1,300.00	1,300.00
Guarantees given by		
Starwise Vincom Private Limited	4,717.49	2,794.25
Shakambari Tie Up Private Limited	4,717.49	2,794.25
Krishna Sudama Marketing Private Limited	4,717.49	2,794.25
BMS Sales Private Limited	4,717.49	2,794.25
Mr. Deepak Kumar Agarwal	4,717.49	2,794.25
Mr. Ramabatar Agarwal	4,717.49	2,794.25
Mrs. Swati Agarwala	4,717.49	2,794.25

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining All decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder

Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevailed in arm's length

34 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents, loans and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which is periodically approved by the board of directors.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations under the contract. Financial instruments that are subject to credit risk and concentration thereof principally consists of trade receivables, security deposits to vendors, balances with bank and bank deposits. The maximum exposure in respect of these instruments amounts to **Rs. 29,152.69 Lakhs (PY Rs. 28,447.29 Lakhs)** excluding loss allowance of Rs. 10,998.94 Lakhs (PY Rs. 10,692.18 Lakhs) on trade receivables. However, the Company has not provided any financial guarantees to third parties.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities. The company invests its surplus funds in bank fixed deposit (presently liened) and in mutual funds, which carry no or low market risk .

The cash and cash equivalents of the company amounts to Rs 42.31 lakhs as on 31.03.2024 (PY Rs 2,525.93 lakhs)

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

	(Rs in Lakhs)			
As at 31st March 2024	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	19,591.34	14,549.55	3,343.46	37,484.35
Trade payables	5,885.45	66.57	-	5,952.02
	25,476.79	14,616.12	3,343.46	43,436.37

	(Rs in Lakhs)			
As at 31st March 2023	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	10,961.52	15,789.89	6,239.35	32,990.76
Trade payables	7,902.26	157.67	-	8,059.93
	18,863.78	15,947.56	6,239.35	41,050.69

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

(Rs in Lakhs)

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Variable rate instruments		
Financial liabilities	37,484.35	32,990.76

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March,2024

(b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

(c) Currency risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period

	As at		As at 31.03.2023	
	USD	INR	USD	INR
Financial Assets	8.87	739.42	866.61	71,249.99
Financial Liabilities	0.88	73.37	-	-

(Rs. in Lakhs)

35 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to:

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

	As at 31.03.2024	As at 31.03.2023
		(Rs. in Lakhs)
Equity Share Capital	8,050.00	8,050.00
Other Equity	48,721.60	38,257.81
Total Equity (A)	56,771.60	46,307.81
Non-Current Borrowings	17,893.01	22,029.24
Current Borrowings	19,591.34	10,961.52
Gross Debt (B)	37,484.35	32,990.76
Total (A+B)	94,255.95	79,298.57
Gross Debt (as above)	37,484.35	32,990.76
Less: Cash and Cash Equivalents	42.31	2,525.93
Net Debt (C)	37,442.04	30,464.83
Net debt to equity *	0.73	0.90

* Equity has been computed based on average of opening and closing total equity

36 Financial instruments and related disclosures**36.1 Fair value measurement**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

36.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

	(Rs. in Lakhs)			
	As at 31st March 2024		As at 31st March 2023	
	Carrying amount	Fair value Level 1	Carrying amount	Fair value Level 1
A. Financial assets:				
Measured at amortised cost				
Investments	1,300.03	-	1,300.03	-
Trade receivables	17,037.96	-	14,459.11	-
Cash and cash equivalents	42.31	-	2,525.93	-
Other financial assets	1,111.13	-	771.26	-
Measured at fair value through other comprehensive income				
Investments	-	153.71	-	97.42
B. Financial liabilities:				
Measured at amortised cost				
Borrowings	37,484.35	-	32,990.76	-
Trade payables	5,952.02	-	8,059.93	-

SPS STEELS ROLLING MILLS LIMITED
Notes to the Standalone Financial Statements for the year ended 31st March, 2024

(Rs. in Lakhs)

37 CSR Disclosures	As at 31.03.2024	As at 31.03.2023
(a) Amount required to be spent by the company during the year	129.33	58.70
(b) Amount approved by the Board to be spent during the year	168.94	67.77
(c) Amount of expenditure incurred		
- On construction/acquisition of any asset	-	-
- On purposes other than above	<u>168.94</u>	<u>67.77</u>

(d) Out of CSR expenses above, Rs.168.00 lakhs (Previous Year Rs. 30.80 lakhs) contributed to Elegant Care Foundation, which is a related party. (Refer Note-33)

(e) Reconciliation of CSR spending:

Particulars	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance	Balance carried forward
Previous reporting period	6.38	58.7	67.77	15.45	15.45
Current reporting period	15.45	129.33	168.94	55.06	55.06

38 Income Tax

Income Tax Recognised in Profit & Loss :-

Particulars	<u>Year ended 31.03.2024</u>	<u>Year ended 31.03.2023</u>
Current tax		
In respect of the current year	-	-
Total	-	-
Deferred tax		
In respect of the current year	1,096.52	(1,509.51)
Total	1,096.52	(1,509.51)
Total income tax expense recognised in the current year	1,096.52	(1,509.51)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	<u>Year ended 31.03.2024</u>	<u>Year ended 31.03.2023</u>
Profit before tax	11,498.14	11,298.39
Applicable Tax Rate	34.944%	34.944%
Income tax expense	4,017.91	3,948.11
Tax Effect of :		
Expenses that are not deductible in determining taxable profit	(1,777.14)	(2,788.87)
Brought forward losses	<u>(1,122.88)</u>	<u>346.12</u>
Income tax expenses recognised in Profit & Loss (A)	<u>1,117.89</u>	<u>1,505.36</u>
Deferred tax on items that will not be reclassified to profit or loss		
Remeasurements of Defined Benefit Plan	(1.70)	3.25
Fair value changes of investments in mutual fund	<u>(19.67)</u>	<u>0.90</u>
Income tax expenses recognised in Other Comprehensive Income (B)	<u>(21.37)</u>	<u>4.15</u>
Total income tax expense recognised in the current year (A + B)	1,096.52	1,509.51

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March, 2024

39 Financial Ratios

Particulars	As at 31st March, 2024		As at 31st March, 2023		% Change in ratios	Reason of % Change beyond 25%
Current Ratio						
Current Assets	60,598.04		49,172.17			NA
Current Liability	37,470.46	1.62	27,280.68	1.80	-10.28%	
Debt - Equity Ratio						
Total Debt	37,484.35		32,990.76			NA
Shareholders Equity	56,771.60	0.66	46,307.81	0.71	-7.32%	
Debt Service Coverage Ratio						
Earnings available for debt services	18,027.00		16,886.88			NA
Debt Services	12,138.39	1.49	9,295.53	1.82	-18.25%	
Return on Equity Ratio						
Net Profit after tax	10,422.98		12,807.90			Variance due to increase in Shareholders equity.
Average Shareholders Equity	51,539.70	20.22%	33,809.80	37.88%	-46.62%	
Inventory Turnover Ratio						
Sales	1,77,110.38		1,73,641.72			NA
Average Inventory	22,961.45	7.71	17,437.34	9.96	-22.54%	
Trade Receivables Turnover Ratio						
Sales	1,77,110.38		1,73,641.72			
Average Trade Receivables	15,748.54	11.25	16,481.83	10.54	6.75%	
Trade Payables Turnover Ratio						
Net Credit Purchases	1,28,661.44		1,31,008.67			
Average Trade Payables	7,005.97	18.36	7,335.45	17.86	2.83%	
Net Capital Turnover Ratio						
Revenue from Operations	1,77,110.38		1,73,641.72			NA
Working Capital	23,127.59	7.66	18,020.00	9.64	-20.53%	
Net Profit Ratio						
Net Profit	10,422.98		12,807.90			
Revenue from Operations	1,77,110.38	5.89%	1,73,641.72	7.38%	-20.21%	
Return on Capital employed						
EBIT	15,809.98		14,242.88			
Capital Employed	91,366.35	17.30%	79,298.57	17.96%	-3.66%	
Return on investment						
Income generated from Investments	56.29		(2.58)			Increase in fair value of mutual fund and additional deposits with bank
Time weighted average Investments	1,453.74	3.87%	1,397.45	-0.18%	-2197.81%	

SPS STEELS ROLLING MILLS LIMITED**Notes to the Standalone Financial Statements for the year ended 31st March, 2024**

- 40 The Company has entered into operating lease agreements in letting out space. The lease agreements are made for specific period. Lease payments received/recognized in the Statement of Profit & Loss for the year ended 31st March 2024 amounted to Rs 1.90 Lakhs (Previous Year- Nil). Future receivables for operating lease are as follow:

Particulars	(Amount in Rs. Lakhs)	
	Year ended 31.03.2024	Year ended 31.03.2023
Not Later than 1 Year	2.40	-
Later than one year but not later than 5 years	7.20	-
More than 5 years	7.70	-

Since the lease is an operating lease, the Company is accounting for the rental income in the books as per the requirement of Ind AS 116 over the period of the lease term.

- 41 The Company has entered into leave & license agreement for letting in space. The lease agreements are made for specific period as per agreement. Lease payments paid are recognized in the Statement of Profit & Loss ended 31 March 2024 amounted to Rs 62.20 lakhs (Previous Year Rs 131.05 Lakhs). Future payments for operating leases are as follow:

Particulars	(Amount in Rs. Lakhs)	
	Year ended 31.03.2024	Year ended 31.03.2023
Not Later than 1 Year	47.00	57.49
Later than one year but not later than 5 years	98.58	121.48
More than 5 years	3.36	4.48

42 Additional regulatory information pursuant to the requirement of Schedule III to the Companies Act 2013

(i) The company does not have any Benami property, where any proceeding has been initiated or is pending against the company for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.

(iii) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company has not advanced or loaned or invested funds to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

SPS STEELS ROLLING MILLS LIMITED

Notes to the Standalone Financial Statements for the year ended 31st March, 2024

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend or to invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii) The company has not made any such transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(ix) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(xii) During the year, the Company purchased 100% shares of both Bengal Alloys & Melters Private limited and Infratex Commercial Private Limited. Subsequently, the company sold these shares at cost to its 100% subsidiary Company, SPS Metal Cast and Alloys Private Limited.

43 Previous year figures have been reclassified / regrouped wherever necessary to correspond to this year's figures.

As per our Report Annexed

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

Place: Kolkata

Date: 30.05.2024

V. SINGHI & ASSOCIATES

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SPS STEELS ROLLING MILLS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of SPS Steels Rolling Mills Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement for the year ended, the Consolidated Statement of Changes in Equity for the year then ended together with Material Accounting Policies and Additional Notes (hereinafter referred to as "Consolidated Financial Statements").



In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standard (Ind AS), the consolidated financial position of the Company as at 31st March, 2024, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our audit
<p data-bbox="261 516 781 548">1. Contingent Liabilities and Commitment</p> <p data-bbox="261 569 805 705">There is a high level of judgement required in estimating the level of provisioning and appropriateness of disclosure of those litigations in the financial statements.</p> <p data-bbox="261 726 805 842">The value of the litigations together with the level of judgement involved make it a significant matter for our audit.</p>	<p data-bbox="833 516 1308 548">Our procedures included the following:</p> <ul data-bbox="878 569 1382 1755" style="list-style-type: none"><li data-bbox="878 569 1382 642">• Examined the list of outstanding litigations against the Company.<li data-bbox="878 663 1382 800">• Read the latest correspondences between the Company and the regulatory authorities for significant matters.<li data-bbox="878 821 1382 957">• Discussed the status of significant litigation with the Company's senior management personnel and assessing their responses.<li data-bbox="878 978 1382 1052">• Examined opinions obtained by the Company from external advisors.<li data-bbox="878 1073 1382 1314">• Involved our tax specialists, and discussed with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.<li data-bbox="878 1335 1382 1451">• Assessed and validated the appropriateness of the disclosures made in the financial statements.<li data-bbox="878 1472 1382 1755">• Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the financial statements is considered to be reasonable.

<p>2. Expenditure on capital projects</p> <p>We consider capital expenditure as a key audit matter due to :</p> <ul style="list-style-type: none"> • Significance of amount incurred on such items during the year ended March 31, 2024. • Judgements and estimates required by management in assessing assets meeting the capitalization criteria set out in Ind AS 116 Property Plant and Equipment • Judgment involved in determining the eligibility of costs including borrowing cost and directly attributable cost for capitalization as per the criteria set out in Ind AS 116 Property Plant and Equipment 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the company's capitalization policy and assessed for compliance with the relevant accounting standards. • We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related with capital expenditure and capitalization of assets. <p>We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.</p>
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Information Other than the Consolidated Financial Statements and Auditors' Report thereon:

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the Consolidated Financial Statements and our Auditors' Report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the other information, which we will obtain after the date of Auditors' Report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the designing, 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, 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 Consolidated Financial Statements.

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

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

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

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

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

Other Matters

We did not audit the financial statements / financial information in respect of the subsidiary, 'SPS Metal Cast & Alloys Limited', included in the consolidated financial results, whose financial statements / financial information reflect total assets of Rs.14,599.27 lakhs as at 31st March, 2024, total revenue of Rs.28,368.18 lakhs, net cash inflow of Rs.142.44 lakhs for the year ended on that date, as considered in the Consolidated Financial Results. These financial statements / financial information have been audited by other auditor, whose report has been furnished to us by the Management of the Parent Company and our conclusion on the Statement, insofar as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors of the Holding company as on 31st March, 2024 taken on record by the Board of directors and on the basis of the reports of the statutory auditors of subsidiary, none of the directors are disqualified as on 31st March, 2024 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 Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, as required under Section 143 (3)(i) of the Act, refer to our separate report in Annexure 'B'.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements has disclosed the impact of pending litigations on its consolidated financial position of the Holding Company and its subsidiary in its Consolidated Financial Statements- refer note 28 (b) to the Consolidated Financial Statements.

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; and
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. (a) The respective managements of the holding company and its subsidiary have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the holding company and its subsidiary have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company and its subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the holding company and its subsidiary shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. Neither the Holding company nor its subsidiary has declared or paid any dividend during the financial year, hence the compliance of Sec 123 of The Companies Act, 2013 is not applicable.

- vi. Based on our examination, including tests checks, the company has used an accounting software with audit trail (edit log) feature for maintaining its books of account, which has been consistently operated throughout the year for all relevant transactions. During our audit, we did not find any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata
Date: 30th May, 2024

Annexure A to the Independent Auditors' Report

Referred to in Paragraph-1 of Other Legal and Regulatory Requirements section of our Report of even date to the members of SPS STEELS ROLLING MILLS LTD. on the Consolidated Financial Statements for the year ended 31st March, 2024.

In terms of the information and explanations sought by us and given by the holding company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) report of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata
Date: 30th May, 2024.

Annexure B to the Independent Auditors' Report

The Annexure B referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of SPS STEELS ROLLING MILLS LIMITED on the Consolidated Financial Statements for the year ended 31st March, 2024.

Report on the Internal Financial Control with reference to the aforesaid Consolidated Financial Statements under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("The Act").

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to financial reporting of SPS Steels Rolling Mills Limited ("the Company") and its subsidiary company (the Holding Company and its subsidiary together referred to as "the Group"), which is incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which is incorporated in India, is responsible for establishing and maintaining internal financial controls based on internal control with reference to financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing 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 ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial reporting, including the possibility of collusion or improper management with reference to ride 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 with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to 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 group has, in all material respects, an adequate internal financial controls system. With reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31st March 2024, based on the internal control with reference to financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is incorporated in India, is based on the corresponding reports of the auditor of such company. Our opinion is not modified in respect of this matter.

For V Singhi & Associates
Chartered Accountants
Firm Regn. No:311017E

(V.K. Singhi)
Partner
Membership No.:050051
UDIN:

Place: Kolkata

Date: 30th May, 2024

SPS STEELS ROLLING MILLS LIMITED
Consolidated Balance Sheet as at 31st March, 2024

		(Rs. in Lakhs)	
	Note	As at 31.03.2024	As at 31.03.2023
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	44,479.09	37,006.30
(b) Right of use assets	4	2,505.49	2,621.74
(c) Capital work-in-progress	5	3,937.28	3,495.74
(d) Goodwill		50.82	-
(e) Other Intangible Assets	6	18.60	22.99
(f) Financial Assets			
(i) Investments	7	2,650.96	97.45
(ii) Loans	8	5,496.02	-
(iii) Other Financial Assets	9	1,122.89	782.72
(g) Deferred Tax assets (net)	10	408.32	1,509.51
(h) Other Non-Current assets	10	559.26	786.11
Total Non-current assets		61,228.73	46,322.56
(2) Current assets			
(a) Inventories	12	26,272.35	19,650.54
(b) Financial assets			
(i) Trade receivables	13	20,545.16	19,906.89
(ii) Cash and cash equivalents	14	368.37	2,709.54
(iii) Loans		43.50	-
(c) Current tax assets (net)	15	653.24	429.93
(d) Other current assets	10	16,711.62	13,458.04
Total Current assets		64,594.24	56,154.93
TOTAL ASSETS		1,25,822.97	1,02,477.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	8,050.00	8,050.00
(b) Other equity	17	53,072.62	41,433.00
Total Equity		61,122.62	49,483.00
Non- Controlling Interest		2.00	-
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	19,758.67	22,029.24
(b) Provisions	19	388.65	324.25
Total Non-current liabilities		20,147.32	22,353.49
(2) Current liabilities			
(a) Financial liabilities			
- Borrowings	18	19,598.34	10,961.52
(ii) Trade payables	20		
- total outstanding dues of micro & small enterprises;		120.18	76.95
- total outstanding dues of creditors other than micro and small enterprises		12,610.49	11,328.85
(b) Other current liabilities	21	7,538.42	5,739.19
(c) Provisions	19	4,683.60	2,534.49
Total Current liabilities		44,551.03	30,641.00
TOTAL EQUITY AND LIABILITIES		1,25,822.97	1,02,477.49

The accompanying notes forms an integral part of the Consolidated Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singh)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

Place: Kolkata

Date: 30.05.2024

SPS STEELS ROLLING MILLS LIMITED**Consolidated Statement of Profit and Loss for the year ended 31st March, 2024****(Rs. in Lakhs)**

	Note	Year ended 31.03.2024	Year ended 31.03.2023
I Revenue from operations	22	2,05,478.56	1,82,800.34
II Other income	23	549.84	5,293.70
III Total income (I + II)		2,06,028.40	1,88,094.04
IV Expenses			
Cost of materials consumed	24	95,672.02	88,148.87
Purchase of stock-in-trade		59,998.48	48,101.48
Changes in inventories of finished goods and stock-in-trade	25	(7,103.38)	(3,676.32)
Employee benefits expense	26	3,956.25	2,838.53
Finance costs	27	4,628.19	3,193.79
Depreciation and amortisation expense	28	3,111.04	2,741.43
Other expenses	29	33,090.37	31,886.45
Total expenses (IV)		1,93,352.98	1,73,234.22
V Profit before exceptional items and tax (III-IV)		12,675.42	14,859.81
Exceptional items		-	(195.85)
Profit before tax		12,675.42	15,055.66
VI Tax :			
Current tax		0.14	-
Deferred tax		1,076.45	(1,509.51)
VII Profit for the year (V-VI)		11,598.83	16,565.17
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of Defined Benefit Plan		4.86	(9.30)
(b) Fair value changes of investments in mutual fund		56.29	(2.58)
(ii) Income tax on items that will not be reclassified subsequently to profit and loss		(21.37)	-
Other comprehensive income/(Loss) for the year		39.78	(11.88)
IX Total comprehensive income for the year (VII+VIII)		11,638.61	16,553.29
X Earnings per equity share	30		
[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
- Basic		14.41	20.58
- Diluted		14.41	20.58

The accompanying notes forms an integral part of the Consolidated Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

Place: Kolkata

Date: 30.05.2024

SPS STEELS ROLLING MILLS LIMITED

Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(Rs. in Lakhs)

	Year ended 31.03.2024	Year ended 31.03.2023
A Cash flow from operating activities		
Profit Before Tax	12,675.42	14,859.81
Adjustment for Non-Cash/Non-Operating Items		
Interest income	(130.38)	(546.06)
Depreciation and amortisation expense	3,111.04	2,741.43
Finance costs	4,628.19	3,193.79
Allowance for doubtful receivables	306.77	4,255.32
Provision for inventories	28.93	-
Sundry balance written off	-	122.36
Loss on sale of property, plant and equipments	12.71	58.26
Liabilities written back	(53.48)	(2,799.20)
Operating profit before working capital changes	20,579.20	21,885.71
Adjustment for Working Capital Changes		
Trade receivables, advances and other assets	(9,535.04)	(4,948.33)
Inventories	(6,650.74)	(4,426.41)
Trade payables, other liabilities and provisions	5,390.51	9,727.96
Cash generated from operations	9,783.93	22,238.92
Income tax paid	(322.89)	(114.95)
Net Cash from operating activities	9,461.04	22,123.98
B Cash flow from investing activities		
Acquisition of property, plant and equipment & Expenditure on Capital Work-in-Progress	(10,940.29)	(17,355.24)
Proceeds from sale of property, plant and equipment	85.85	135.24
Investment in Term deposit	(0.01)	(100.00)
(Investment)/Redemption of fixed deposits	(320.00)	4,823.56
Purchase of other Investments	(2,497.22)	-
Interest received	130.38	546.06
Net cash used in investing activities	(13,541.29)	(11,950.38)
C Cash flow from financing activities		
Proceeds /(Re-payment) of borrowings	6,366.25	(16,529.59)
Proceeds from issue of Equity share capital (including Securities Premium)	-	12,200.00
Interest paid	(4,628.19)	(3,193.79)
Net cash used in financing activities	1,738.06	(7,523.38)
Net increase in cash & cash equivalents	(2,342.19)	2,650.22
Cash & Cash equivalents at beginning of the year	2,709.54	65.86
Add : Transferred from Business Re-organisation Reserve A/c	1.03	(6.54)
Cash & Cash equivalents at closing of the year	368.37	2,709.54

Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS- 7 on Statement of Cash Flows.
- Figures for the previous year have been regrouped/rearranged wherever necessary.

Company Information and Material Accounting Policy and the accompanying Notes form part of the Consolidated Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Place: Kolkata

Date: 30.05.2024

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

SPS STEELS ROLLING MILLS LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

(Rs. in Lakhs)

A. Equity share capital

1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
8,050.00	-	8,050.00

2) Previous Reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
5,000.00	3,050.00	8,050.00

B. Other equity

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings		
Balance as at 1 April 2022	-	59,590.79	8,846.68	(53,834.33)	-	14,603.15
Profit or Loss for the year	-	-	-	16,565.17	-	16,565.17
Additional depreciation due to Revaluation	-	-	(1,409.06)	1,409.06	-	-
Other Comprehensive Income	-	-	-	(9.30)	(2.58)	(11.88)
Total Comprehensive Income	-	-	(1,409.06)	17,964.93	(2.58)	16,553.29
Transferred to Business Re-organisation Reserve	-	1,126.55	-	-	-	1,126.55
Addition on allotment	9,150.00	-	-	-	-	9,150.00
Balance as at 31 March 2023	9,150.00	60,717.34	7,437.62	(35,869.39)	-2.58	41,433.00
Profit or Loss for the year	-	-	-	11,598.83	-	11,598.83
Additional Depreciation due to Revaluation	-	-	(1,603.77)	1,603.77	-	-
Adjustment on account of Step Subsidiaries acquired during the year	-	87.00	-	(87.89)	-	-
Other Comprehensive Income	-	-	-	3.16	36.62	39.78
Total Comprehensive Income	-	87.00	(1,603.77)	13,117.87	36.62	11,638.61
Transferred to Business Re-organisation Reserve	-	1.03	-	-	-	1.03
Addition on allotment	-	-	-	-	-	-
Balance as at 31st March, 2024	9,150.00	60,805.37	5,833.85	(22,751.52)	34.04	53,072.62

Company Information and Material Accounting Policy and the accompanying Notes form part of the Consolidated Financial Statements

As per our report of even date attached

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

For and on behalf of the Board

(V.K. Singhi)

Partner

Membership No. 050051

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Binod Kumar Agrawal

Chief Financial Officer

AGEPA5572F

Ashutosh Sharma

Company Secretary

M. No.: 9045

Place: Kolkata

Date: 30.05.2024

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

1. Corporate information

The Company is a public limited Company incorporated in India on 26th December, 1981 having its registered office at Diamond Prestige, 41A, A.J.C. Bose Road, 7th Floor, Room No -701, Kolkata-700017. The Company's shares are listed in Calcutta Stock Exchange Limited.

The Company is principally engaged in the business of manufacturing and trading of iron and steel products and is the owner of the "Elegant" brand.

2. Material Accounting policy

a. Statement of Compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and in compliance with the Indian Accounting Standards (Ind AS), as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

b. Basis of preparation

The Financial statements are prepared under the historical cost convention on the accrual basis following the Going Concern principles except for Derivative Financial Instruments, Plan Assets related to employee benefits and certain Financial Liabilities and Financial assets which are measured at fair values as per respective Notes included hereafter.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

c. Use of judgments and estimates

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

i. Useful lives of Property, plant and equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

ii. Fair value measurement of financial instruments:

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

iii. Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv. Recognition and measurement of provisions and contingencies:

There are certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is made towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

d. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Current versus Non-current classification

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

A liability is current when:

- i. It is expected to be settled in normal operating cycle.
- ii. It is held primarily for the purpose of trading.
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

e. Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS or at revalued figures, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset. The additional depreciation on account of revaluation has been debited from revaluation reserve and credited to retained earnings.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Non-current Asset held for sale'.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

When an item of Property, Plant and Equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the gross carrying

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset based on independent valuers report.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

f. Intangible assets

Cost of intangible assets are capitalised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, the cost of the asset can be measured reliably and the asset is ready for its intended use. Intangible assets are stated at the amount initially recognized less accumulated amortization and accumulated impairment losses.

The Company follows cost model for recognition and measurement of intangible assets. Cost of computer software is amortized over the useful life not exceeding five years from the date of capitalization. Any intangible asset, when determined obsolete and of no further use, is written off.

g. Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment and intangible assets to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised prospectively. Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives, which are subject to change, for main categories of property, plant and equipment and intangible assets are:

Building	30 years
Plant & Machinery	15/20/25 years
Furniture & Fixtures	10 years
Motor Vehicle	8 years
Office Equipment	5 years
Computer and Data Processing	3/6 years

h. Impairment

Impairment of financial instruments: financial assets

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased materially since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases materially since its initial recognition. The Company's trade receivables do not contain material financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

The Company as lessee

The Company accounts for each lease component within the contract as a lease separately from non lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

In a sale and lease back transaction, the Company measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain or loss that the company recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

j. Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

k. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

l. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

i. Financial assets

*** Cash and bank balances**

Cash and bank balances consist of:

- i. Cash and cash equivalents - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an immaterial risk of change in value and have original maturities of less than 3 months. These balances with banks are unrestricted for withdrawal and usage.
- ii. Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

* Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

* Financial assets at FVTOCI

Financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

* Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

* Financial assets at FVTPL

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

* Interest income

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

*** Dividend income**

Dividend income from investments is recognised when the right to receive payment has been established.

*** De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

ii. Financial liabilities and equity instruments

Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

*** Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

*** Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is material.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

*** De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

*** Offsetting of financial instruments**

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

m. Employee Benefits

*** Defined contribution plans**

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

*** Defined benefit plans**

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date.

Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

*** Leave Encashment:**

Liability for leave encashment is provided on the basis of valuation by an independent Actuary as at the year end.

n. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilisation on a product category basis.

o. Provisions (other than for employee benefits), Contingent Liabilities and Contingent Assets

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis. Constructive obligation is an obligation that derives from an entity's actions where:

- i. by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;
- ii. as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements.

p. Tax Expenses

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Income Tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax Expenses

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction. Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

q. Revenue

The Company manufactures and sells a range of steel and other products.

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any. Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a material reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

r. Foreign currency transactions and translations

The financial statements of the Company are presented in Indian Rupees (“₹”), which is the functional currency of the Company and the presentation currency for the financial statements. In preparing the financial statements, transactions in currencies other than the Company’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the re-translation or settlement of monetary items are included in the statement of profit and loss for the period.

s. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss. Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

t. Events occurring after balance sheet date

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors.

u. Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segment for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

v. Earnings per Share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

3. Recent Accounting Pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company applied these amendments for the first-time.

▪ Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

▪ Disclosure of Accounting Policies - Amendments to Ind AS 1

a) The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

b) The amendments had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

▪ Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

a) The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

b) The Company has already recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets, accordingly there is no impact on its Financial Statements. Also, since balances qualify for offset as per the requirements of Paragraph 74 of Ind AS 12, there is no impact in the Balance Sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34. The Company

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

has evaluated the requirements of the amendments and there is no impact on its financial statements.

There are no standards that are notified and not yet effective as on the date.

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules as issued from time to time. As on 31st March, 2024 no such pronouncements were announced by MCA.

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Notes to the Consolidated Financial Statements for the year ended 31st March,2024

(Rs. in Lakhs)

3 Property, Plant and Equipment

	Freehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total
A. Gross carrying amount							
As at April 1, 2022	572.94	9,107.81	18,412.78	79.54	67.22	15.20	28,255.50
Additions	83.77	4,451.38	16,462.93	-	18.58	5.93	21,022.59
Deletions / Disposal	-	(92.20)	(62.26)	-	-	-	(154.46)
As at March 31, 2023	656.71	13,467.00	34,813.45	79.54	85.80	21.13	49,123.63
Additions	-	530.64	8,056.86	457.92	18.02	6.55	9,069.98
Adjustment on account of Step Subsidiaries acquired during the year	1,364.03	104.00	-	-	-	-	1,468.03
Deletions / Disposal	-	-	(99.71)	-	-	(0.42)	(100.13)
As at March 31, 2024	2,020.74	14,101.64	42,770.60	537.45	103.82	27.26	59,561.52
	2,020.00						
B. Depreciation							
Upto March 31, 2022	-	2,534.44	6,923.19	48.02	46.71	9.51	9,561.87
For the year	-	671.77	1,910.30	2.71	3.77	5.10	2,593.65
Deletions / Disposal	-	(32.15)	(6.05)	-	-	-	(38.19)
As at March 31, 2023	-	3,174.06	8,834.03	50.74	50.48	14.61	12,117.33
For the year	-	743.43	2,180.26	18.26	7.19	4.35	2,956.78
Deletions / Disposal	-	-	(1.51)	-	-	(0.06)	(1.57)
Adjustment on account of Step Subsidiaries acquired during the year	-	6.59	-	-	-	-	6.59
As at March 31, 2024	-	3,924.08	11,012.78	68.99	57.67	18.90	15,082.43
C. Net Carrying Amount							
As at March 31, 2023	656.71	10,292.94	25,979.42	28.81	35.32	6.52	37,006.30
As at March 31, 2024	2,020.74	10,177.56	31,757.82	468.46	46.14	8.35	44,479.09

(b) The title deeds of all immovable properties (other than Right of Use assets) are held in the name of the Company.

(c) Details of Property, Plant & Equipment pledged against borrowings is as presented in Note 18.

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
4 Right of Use Assets		
Leasehold Land		
a) Gross carrying amount (at cost or deemed cost)		
Balance at the beginning of the year	3,173.01	3,290.04
Addition during the year	26.67	24.98
Adjustment made during the year*	-	(142.01)
Balance at the end of the year	<u>3,199.68</u>	<u>3,173.01</u>
b) Depreciation		
Balance at the beginning of the year	551.27	430.31
For the year	142.92	142.73
Adjustment made during the year	-	(21.77)
Balance at the end of the year	<u>694.19</u>	<u>551.27</u>
Net Carrying Amount (a) - (b)	<u><u>2,505.49</u></u>	<u><u>2,621.74</u></u>

Note 1: The company has recognised ROU Assets as Lessee. However, since the entire consideration had been paid in advance, hence Lease liability is Nil and accordingly there is no impact in Profit & Loss statement regarding finance cost.

***Note 2:** Pursuant to the order of Hon'ble High Court dated 20.03.2023, Asansol Durgapur Development Authority has refunded Rs 142.01 lakhs on 29.04.2023 to the company which was paid to them towards change of title of lease hold land and capitalized during F.Y 2019-20. As such, the same has been adjusted during the previous year.

5 Capital work-in-progress		
Balance as at the beginning of the year	3,495.74	7,120.10
Additions during the year	8,073.93	17,284.74
Transferred to Property, Plant & Equipment*	(7,632.39)	(20,909.10)
Balance at the end of the year	<u><u>3,937.28</u></u>	<u><u>3,495.74</u></u>

*The Company has commissioned the Durgapur plants during the year.

Capital Work in Progress ageing schedule	Amount in CWIP for a period of				Total
	< 1 Year	1-2 years	2-3 years	> 3 years	
As on 31.03.2024	3,743.38	193.90	-	-	<u>3,937.28</u>
As on 31.03.2023	3,304.36	191.38	-	-	<u>3,495.74</u>

6 Other Intangible Assets		
Computer Software		
a) Gross carrying amount		
Balance as at the beginning of the year	38.02	38.02
Additions	0.35	-
Balance at the end of the year	<u>38.37</u>	<u>38.02</u>
b) Depreciation		
Balance as at the beginning of the year	15.02	9.98
For the year	4.75	5.05
Balance at the end of the year	<u>19.77</u>	<u>15.02</u>
Net Carrying Amount (a) - (b)	<u><u>18.60</u></u>	<u><u>22.99</u></u>

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Notes to the Consolidated Financial Statements for the year ended 31st March,2024

	As at 31.03.2024	(Rs. in Lakhs) As at 31.03.2023
7 Non-current Investments		
(i) Unquoted investments carried at amortised cost		
Shakhambhari Ispat Power Ltd (12,30,160 Equity Shares of Rs 10/-each)	2,497.22	-
Shivalik Solid Waste Management Ltd (250 Equity Shares of Rs. 10/- each)	0.03	0.03
(ii) Unquoted Investment carried at fair value through other comprehensive income (FVTOCI)		
Motilal Oswal India Excellence Fund - Mid to Mega - Series II	153.71	97.42
Total	<u>2,650.96</u>	<u>97.45</u>
Aggregate market value of unquoted investments	2,650.96	97.45
8 Loans		
Non-Current		
Unsecured Loan		
To related body corporates	4,451.02	-
To other body corporates	1,045.00	-
	<u>5,496.02</u>	<u>-</u>
Current		
Short Term Loans & Advances		
To body corporates	43.50	-
	<u>43.50</u>	<u>-</u>
9 Other Financial Assets		
Non-Current		
Security deposit	178.07	157.89
Bank Deposits *	944.82	624.83
Total	<u>1,122.89</u>	<u>782.72</u>
* Bank Deposits of Rs 908.06 lakhs (Previous Year - Rs 624.83 lakhs) has been liened with banks against Non-fund based credit limits.		
10 Deferred Tax Asset (Net)		
Deferred tax Asset	6,544.59	4,988.90
Deferred Tax Liability	6,136.27	(3,479.39)
	<u>408.32</u>	<u>1,509.51</u>
Components of Deferred Tax Asset and Liability:		
Deferred Tax Asset*:		
Fair value loss on investment	-	0.90
Remeasurement of defined benefit plans	170.66	-
Unabsorbed Depreciation	1,345.42	-
Provisions	3,853.58	-
Brought Forward Losses	1,174.92	4,988.00
	<u>6,544.59</u>	<u>4,988.00</u>
Deferred Tax Liability:		
Depreciation & Amortization expenses	4,078.92	3,449.61
Fair value gain on investment	18.77	-
Revaluation of Assets	2,038.58	-
Defined Benefit Plans	-	29.78
	<u>6,136.27</u>	<u>3,479.39</u>
Net Deferred Tax Asset	<u>408.32</u>	<u>1,509.51</u>

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Notes to the Consolidated Financial Statements for the year ended 31st March,2024

	As at 31.03.2024	(Rs. in Lakhs) As at 31.03.2023
11 Other Assets		
Non-Current		
Capital advances	481.52	786.11
Investment in Diamonds	77.74	-
	<u>559.26</u>	<u>786.11</u>
Current		
Advance to suppliers		
- Related Party (Refer Note-34)	3,212.53	2,886.87
- Others	<u>12,615.49</u>	<u>10,474.11</u>
Advance to employees	21.11	13,360.99
Balances with government authorities	775.06	18.88
Pre-paid expenses	87.45	45.48
	<u>16,711.62</u>	<u>13,458.04</u>
12 Inventories		
Raw materials	7,225.25	7,146.10
Stock in trade	626.01	526.72
Stores and spares	2,628.01	3,159.80
Finished goods	<u>15,822.01</u>	<u>8,817.92</u>
	26,301.28	19,650.54
Less: Provision for obsolescence		
Stores and spares	28.93	-
	<u>26,272.35</u>	<u>19,650.54</u>
13 Trade Receivables		
Unsecured, considered good	20,851.91	19,906.88
Credit impaired	<u>10,692.18</u>	<u>10,692.18</u>
	<u>31,544.09</u>	<u>30,599.06</u>
Less: Allowance for credit Losses	<u>10,998.94</u>	<u>10,692.18</u>
	<u>20,545.16</u>	<u>19,906.89</u>

Trade Receivables ageing schedule as on 31.03.2024

Particulars	Outstanding for following periods from due dates of payments					Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivable considered good	20,092.04	218.25	267.89	84.88	188.86	20,851.92
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	10,692.18	10,692.18
Total	20,092.04	218.25	267.89	84.88	10,881.04	31,544.10

Trade Receivables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due dates of payments					Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivable considered good	19,118.07	441.34	106.98	-	240.49	19,906.88
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	10,692.18	10,692.18
Total	19,118.07	441.34	106.98	-	10,932.67	30,599.06

14 Cash and cash equivalents		
Balances with banks		
- Current accounts	316.69	187.56
- Trust and Retention Accounts	4.46	580.01
- Cash Credit (favourable balance)	-	1,940.52
Cash in hand (as verified by the management)	47.22	1.45
	<u>368.37</u>	<u>2,709.54</u>
15 Current tax assets		
Income taxes paid	653.24	429.93
	<u>653.24</u>	<u>429.93</u>

	As at 31.03.2024	(Rs. in Lakhs) As at 31.03.2023
16 Equity share capital		
<u>Authorised</u>		
8,25,00,000 (Previous Year 8,25,00,000) Equity Shares of Rs. 10/- each	8,250.00	8,250.00
	8,250.00	8,250.00
<u>Issued, subscribed and fully paid-up</u>		
8,05,00,000 (Previous Year 8,05,00,000) Equity Shares of Rs.10/- each fully Paid up	8,050.00	8,050.00
	8,050.00	8,050.00
A. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year		
Balance as at the beginning of the year	8,05,00,000	5,00,00,000
Add : Issued during the year	-	3,05,00,000
Balance as at the end of the year	8,05,00,000	8,05,00,000

Note 1: The Authorised Share Capital has been increased by Ordinary Resolution passed at the general meeting of the Company on 30th July, 2022 from Rs.5000.00 lakhs to Rs 8250.00 lakhs divided into 8,25,00,000 Equity Shares of Rs 10 each, by creation of additional 3,25,00,000 Equity shares of Rs 10 each ranking pari-passu in all respects with the existing Equity Shares of the Company.

Note 2: On 25th August, 2022, the Company has issued and allotted 3,05,00,000 equity shares of Rs 10/- each at Rs 40/- per equity share (including a premium of Rs 30/- per share) on preferential basis aggregating to Rs 12,200.00 lakhs, ranking pari-passu in all respects with the existing Equity Share Capital of the Company. The Calcutta Stock Exchange Ltd. has granted the listing permission of the above shares on 27th September, 2022.

B. Rights, preferences and restrictions attaching to equity shares

- (i) The Company has only one class of Equity Shares having par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation, the shareholders of equity shares of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) The shareholders have the right to declare and approve dividend, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than that recommended by the Board of Directors.

Shares held by the promoters at the end of the year :

Promoter's Name	As at 31st March, 2024		As at 31st March 2023		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Krishna Sudama Marketing Private Limited	30,00,000	3.73%	30,00,000	3.73%	-
Swapno Marketing Private Limited	80,00,000	9.94%	80,00,000	9.94%	-
Aryavrat Plot Managers Private Limited	91,91,406	11.42%	91,91,406	11.42%	-
BMS Sales Private Limited	72,91,342	9.06%	72,91,342	9.06%	-
Shakambari Tie-Up Private Limited	99,75,000	12.39%	99,75,000	12.39%	-
Shivratri Vyapaar Pvt.Ltd.	20,00,000	2.48%	20,00,000	2.48%	-
Shivkripa Commercial Pvt. Ltd.	20,00,000	2.48%	20,00,000	2.48%	-

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of the Shareholder	As at 31 March 2024			As at 31 March 2023		
	Number	% of total shares in the class	% change during the year	Number	% of total shares in the class	% change during the year
Shakambari Tie-Up Private Limited	99,75,000	12.39%	-	99,75,000	12.39%	-
Swapno Marketing Private Limited	80,00,000	9.94%	-	80,00,000	9.94%	-
Aryavrat Plot Managers Private Limited	91,91,406	11.42%	-	91,91,406	11.42%	-
BMS Sales Private Limited	72,91,342	9.06%	-	72,91,342	9.06%	-
Cancon Agencies Private Limited	1,06,00,000	13.17%	-	1,06,00,000	13.17%	-
Expeditors Distributors Private Limited	1,00,00,000	12.42%	-	1,00,00,000	12.42%	-
Shree Sudharshan Castings Private Limited	65,00,000	8.07%	-	65,00,000	8.07%	-

17 Other Equity

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings		
Balance as at 1 April 2022	-	59,590.79	8,846.68	(53,834.33)	-	14,603.15
Profit or Loss for the year	-	-	-	16,565.17	-	16,565.17
Additional depreciation due to Revaluation	-	-	(1,409.06)	1,409.06	-	-
Other Comprehensive Income	-	-	-	(9.30)	(2.58)	(11.88)
Total Comprehensive Income	-	-	(1,409.06)	17,964.93	(2.58)	16,553.29
Transferred to Business Re-organisation Reserve	-	1,126.55	-	-	-	1,126.55
Addition on allotment	9,150.00	-	-	-	-	9,150.00
Balance as at 31 March 2023	9,150.00	60,717.34	7,437.62	(35,869.39)	(2.58)	41,433.00
Profit or Loss for the year	-	-	-	11,598.83	-	11,598.83
Adjustment on account of Step Subsidiaries acquired during the year	-	87.00	-	(87.89)	-	-
Additional Depreciation due to Revaluation	-	-	(1,603.77)	1,603.77	-	-
Other Comprehensive Income	-	-	-	3.16	36.62	39.78
Total Comprehensive Income	-	87.00	(1,603.77)	13,117.87	36.62	11,638.61
Transferred to Business Re-organisation Reserve	-	1.03	-	-	-	1.03
Addition on allotment	-	-	-	-	-	-
Balance as at 31st March, 2024	9,150.00	60,805.37	5,833.85	-22,751.52	34.04	53,072.62

Nature and purpose of reserves

- (a) **Securities Premium:** Securities Premium represents the excess of the amount received over the face value of the shares. This reserve will be utilized in accordance with the provisions of the Companies Act, 2013.
- (b) **Business Re-organisation Reserve:** Business Re-organisation Reserve is the reserve which is created by transferring capital items such as the share capital, reserves, loans and deposits outstanding prior to take over as per NCLT Order and not admitted by RP (Resolution Professional) . This reserve is not available for distribution of dividend.
- (c) **Revaluation Reserve:** Cumulative gains and losses arising from fair value changes of upward revaluation of Property, Plant and Equipment measured at fair value through other comprehensive income are recognised in revaluation reserve. The Company has elected to transfer such surplus directly to retained earnings when the asset is derecognised.
- (d) **Retained earnings:** Retained Earnings represents accumulated Profit and losses of the company as on reporting date. Such Profits and losses are arrived after adjustment of payment of dividend, transfer to any reserves as Statutorily required and adjustment for realised gain/loss on derecognition of Equity Instruments measured at FVTOCI. Remeasurement of Defined Benefit is also adjusted. This includes Other Comprehensive Income of Rs. 8.29 lakhs (31st March 2023: Rs. 5.13 lakhs) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.
- (e) **Equity instruments through other comprehensive income:** Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

18 Borrowings

Non-current

Secured

(i) Term Loans

a. From Punjab National Bank	12,569.76		16,917.96	
Less: Current maturities	(5,851.88)	6,717.88	(4,500.00)	12,417.96
b. From Indian Bank	2,519.36		3,021.91	
Less: Current maturities	(519.36)	2,000.00	(400.00)	2,621.91
c. From State Bank of India	7,079.76		2,602.25	
Less: Current maturities	(855.76)	6,224.00	-	2,602.25

(ii) Working Capital Term Loans

GECL Loans	4,374.83		5,645.00	
Less: Current maturities	(1,693.50)	2,681.33	(1,270.13)	4,374.87

(iii) Auto loan

Less: Current maturities	398.92		16.70	
	(129.11)	269.80	(4.46)	12.24

(iv) From Bodies Corporate

- Related Parties	13.31		-	
- Body Corporate	1,852.35	1,865.66	-	-

19,758.67

22,029.24

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Notes to the Consolidated Financial Statements for the year ended 31st March,2024

Repayment Terms	Securities	
Term Loans	Primary	Collateral
a) Punjab National Bank- Rs. 165 Crores - repayable in 20 quarterly instalments varying from Rs. 4 Crore to Rs.12.25 Crore beginning from September 2019.	1st pari passu charge on all the fixed assets , movable as well as immovable, both present and future, including CWIP and the proposed expansion project, located at Dr Zakir Hussain Avenue, GT Road,	2nd pari passu charge on entire current assets of the Company as a whole both present and future.
Punjab National Bank- Rs. 30 Crores- repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.	Durgapur of Unit -1 under consortium with other term lenders on reciprocal basis.	Mortgage on the property at 6th Floor Flat No.10604 together with CAR parking space in Tower 1,"Fort Oasis" situated at 37, Panditia Road, P.S. Lake. Kolkata 700029 owned by Starwise Vincom Pvt Ltd., a group company.
Punjab National Bank- Rs. 40 Crores - repayable in 32 varying quarterly instalments from Rs. 0.87 Crore to Rs.1.63 Crore beginning from June 2024.		Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors), Swati Agarwal (Guarantor) Corporate Guarantees of: Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd.
State Bank of India- Rs. 25 Crores-repayable in 29 varying quarterly instalments from Rs. 0.13 Crore to Rs.1.56 Crore beginning from June 2024.		Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors), Swati Agarwal (Guarantor) Corporate Guarantees of: Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd.
Indian Bank- repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.		
b) Punjab National Bank -Rs. 25 Crores - repayable in 29 varying quarterly instalments from Rs. 0.25 Crore to Rs.1.57 Crore beginning from June 2024.	1st pari passu charge on all the fixed assets, movable as well as immovable, both present and future, including CWIP and the proposed expansion project, lying at Poradiha village, Purulia District, of Unit -II under consortium along with other term lenders on reciprocal basis.	First pari passu charge by way of assignment of brand "Elegant"
State Bank of India- Rs. 75 Crores - repayable in 32 varying quarterly instalments from Rs.1.63 Crore to Rs.3.07 Crore beginning from June 2024.		
Other Loans	Primary Security	
a) Working Capital Term Loan under GECL		
From Punjab National Bank, for Rs. 45.16 Crores; repayable in 48 equated monthly instalments of Rs. 0.94 Crore beginning from April 2022.	Extension of charge over entire current assets of the Company as a whole both present and future.	
From Punjab National Bank , for Rs. 22.58 Crores and is repayable in 48 equated monthly instalments of Rs. 47.04 lacs beginning from January 2024.		
b) Auto Loan		
From Punjab National Bank, is repayable in 60 equated monthly instalments of Rs. 0.47 Lakhs beginning from April 2022.	Against hypothecation of Toyota Innova Crysta 2.4 ZX Diesel BS Model:2022	
From Axis Bank, is repayable in 47 monthly instalments of Rs 10.12 Lakhs starting from October 2023.		
From Canara Bank, is repayable in 60 monthly instalments of Rs 0.75 Lakhs starting from October 2023.	Against hypothecation of the motors acquired under respective vehicle loans.	

SPS STEELS ROLLING MILLS LIMITED
Notes to the Consolidated Financial Statements for the year ended 31st March,2024

	As at 31.03.2024		(Rs. in Lakhs) As at 31.03.2023	
Current				
Secured				
(i) Current Maturities				
For Term Loans	7,227.00		4,900.00	
For Working Capital Term Loan under GECL	1,693.50		1,270.13	
For Auto Loan	129.11	9,049.62	4.46	6,174.59
(ii) Working Capital Loans				
- Punjab National Bank	4,953.53		-	
- Indian Bank	1,826.46		217.83	
- Canara Bank	746.53		1067.58	
- State Bank of India	3,015.20	10,541.72	3501.52	4786.93
(iii)Body Corporate				
-Shivkripa Commercial Pvt Ltd	7.00	7.00	-	-
		19,598.34	10,961.52	
Security for Working Capital Loans:				
Primary				
a)1st pari-passu charge under consortium arrangement on all Current Assets, present and future, including stocks, book debts, and other current assets of iron and steel materials store or to be stored at Dr. Zakir Hussain Avenue, G. T. Road, Durgapur, West Bengal and at Vill. - Poradiha, Police Station - Santuri, Dist- Purulia (West Bengal)-723145				
b)2nd Charge on all existing and proposed fixed assets and other non-current assets of Unit I & Unit II of the Company on pari-passu basis.				
Secondary				
c)Pari-passu second charge with term lenders on property at 6th Floor Flat No.10604 together with car parking space in Tower 1, Fort Oasis situated at 37, Panditia Road, P.S. Lake. Kolkata 700029				
d)Second pari passu charge by way of assignment of brand Elegant				
e)Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors) and Mrs Swati Agarwal (Guarantor)				
f)Corporate Guarantees of Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd				
19 Provisions				
Non-current				
Provisions for employee benefits				
- For gratuity	315.04		264.15	
- For leave salary	73.61	388.65	60.10	324.25
Current				
Provisions for employee benefits				
- For gratuity	20.27		19.94	
- For leave salary	7.46		4.06	
- For bonus	72.02		56.90	
Provisions for expenses	4,583.86	4,683.60	2,453.60	2,534.49
		5,072.25	2,858.74	

(Rs. in Lakhs)

	As at 31.03.2024		As at 31.03.2023	
20 Trade Payables				
Due to Micro & Small Enterprises		120.18		76.95
Due to other than Micro & Small Enterprises:				
- For goods and services	11,392.71		10,541.07	
- For other expenses	1,217.78	12,610.49	787.78	11,328.85
		<u>12,730.67</u>		<u>11,405.80</u>

Trade Payables ageing schedule as on 31.03.2024

Particulars	Outstanding for following periods from due dates of payments				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	120.18	-	-	-	120.18
Others	12,543.92	17.62	36.87	12.08	12,610.49
Total	12,664.10	17.62	36.87	12.08	12,730.67

Trade Payables ageing schedule as on 31.03.2023

Particulars	Outstanding for following periods from due dates of payments				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	76.95	-	-	-	76.95
Others	11,171.18	134.23	23.44	-	11,328.85
Total	11,248.13	134.23	23.44	-	11,405.80

Note : The company has identified Micro & Small Enterprises to whom the company owes dues as under:

Particulars	As at 31.03.2024	As at 31.03.2023
a) The principal amount remaining unpaid to MSMEs supplier	120.18	76.93
b) The interest due thereon remaining unpaid to MSMEs supplier	-	0.02
c) The amount of interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of the year.	-	0.02
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

21 Other current liabilities

Revenue received in advance

Advance from customers	5,793.33		4,445.81	
Advance from related party	-	5,793.33	5.42	4,452.91
Others				
Creditors for Capital goods	187.22		-	
Statutory liabilities	1,271.39		1,055.76	
Liabilities for expenses	286.50	1,745.11	230.51	1,286.27
		<u>7,538.42</u>		<u>5,739.19</u>

SPS STEELS ROLLING MILLS LIMITED
Notes to the Consolidated Financial Statements for the year ended 31st March,2024

	Year ended 31.03.2024		Year ended 31.03.2023	
	(Rs. in Lakhs)			
22 Revenue from operations				
Sale of products				
- Finished goods	1,30,687.28		1,28,564.18	
- Traded goods	<u>71,332.65</u>	2,02,019.93	<u>51,374.28</u>	1,79,938.46
Sale of Service		314.97		-
Other operating revenues				
- Sale of raw materials and stores		<u>3,143.66</u>		<u>2,861.88</u>
		<u>2,05,478.56</u>		<u>1,82,800.34</u>
23 Other income				
Interest income:				
- Deposits with banks	38.20		19.13	
- Others	<u>92.40</u>	130.60	<u>526.93</u>	546.06
Licence Income	-		22.50	
Rent Income	8.43		-	
Royalty Income	14.00		5.00	
Foreign Exchange Fluctuation Gain	17.08		18.80	
Commission Income	171.06		1,849.24	
Miscellaneous receipts	155.18		52.90	
Liabilities no longer required written back	<u>53.48</u>	419.24	<u>2,799.20</u>	<u>4,747.64</u>
		<u>549.84</u>		<u>5,293.70</u>
24 Cost of materials consumed				
Inventory of raw materials at the beginning of the year		7,146.10		5,079.55
Add: Purchases		<u>95,751.17</u>		<u>90,215.42</u>
		1,02,897.27		95,294.97
Less: Inventory of raw materials at the end of the year		<u>(7,225.25)</u>		<u>(7,146.10)</u>
		<u>95,672.02</u>		<u>88,148.87</u>
25 Change in inventories of finished goods and stock in trade				
Opening stock				
Finished goods	8,817.92		4,574.03	
Traded goods	<u>526.72</u>	9,344.64	<u>1,094.29</u>	5,668.32
Less :- Closing Stock				
Finished goods	15,822.01		8,817.92	
Traded goods	<u>626.01</u>	16,448.02	<u>526.72</u>	9,344.65
		<u>(7,103.38)</u>		<u>(3,676.32)</u>

SPS STEELS ROLLING MILLS LIMITED
Notes to the Consolidated Financial Statements for the year ended 31st March,2024

	(Rs. in Lakhs)	
	Year ended 31.03.2024	Year ended 31.03.2023
26 Employee benefits expense		
Salaries and Wages	3,482.77	2,480.55
Directors' Remuneration	124.10	39.25
Contribution to provident and other funds	333.84	290.19
Staff welfare expenses	15.56	28.55
	<u>3,956.25</u>	<u>2,838.53</u>
27 Finance costs		
Interest expense		
- on Term Loans	2,663.98	1,633.99
- on Working Capital Loans	1,178.54	1,006.18
- others	469.32	304.31
Bank charges & other borrowing costs	316.35	249.31
	<u>4,628.19</u>	<u>3,193.79</u>
28 Depreciation and amortisation expenses		
Property, Plant & Equipment	2,963.37	2,593.65
Right-of-use assets	142.92	142.73
Intangible Assets	4.75	5.05
	<u>3,111.04</u>	<u>2,741.43</u>
29 Other expenses		
Stores and consumables	3,671.32	2,797.35
Power and fuel consumed	12,390.63	11,168.97
Processing Labour Charges	2,494.70	2,036.93
Water charges	97.67	54.57
Repairs and maintenance		
- Buildings	141.75	54.34
- Plant and machinery	157.22	108.52
- Others	28.74	24.32
Rates and taxes	81.25	26.99
Insurance charges	64.02	40.66
Rent	64.00	132.15
Security Charges	356.50	276.06
Hire Charges	492.84	388.03
Telephone Expenses	4.00	2.85
Travelling and conveyance	382.60	341.64
Payments to auditor *	7.66	6.80
Legal and professional charges	272.20	208.84
CSR expenditure (refer Note 34)	189.44	67.77
Freight charges	3,182.93	3,093.99
Commission on sales	1,127.25	940.66
Business Promotion Expenses	4,275.25	3,855.64
Advertisement expenses	3,097.96	1,729.24
Loss on sale of property, plant and equipments	12.71	58.26
Allowance for doubtful receivables	306.77	4,255.32
Provision for inventory obsolescences	28.93	11.22
Sundry balances written off	-	122.36
Miscellaneous expenses	162.02	82.95
Total	<u>33,090.37</u>	<u>31,886.45</u>
* Payments to auditor		
Auditors Remuneration for		
- Statutory audit	4.53	4.30
- Tax audit	0.60	0.50
- Limited Review	2.00	2.00
- Others	0.53	-
	<u>7.66</u>	<u>6.80</u>

	As at 31.03.2024	(Rs. in Lakhs) As at 31.03.2023
30 Basic and diluted earnings per share		
(a) Profit attributable to equity shareholders of the company (Rs. in lakhs)	11,598.83	16,565.17
(b) Total number of ordinary shares outstanding for the purpose of basic earnings per share	8,05,00,000	8,05,00,000
(c) Weighted average number of ordinary shares outstanding for the purpose of basic and diluted earnings per share	8,05,00,000	6,83,00,000
(d) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
– Basic and Diluted (a/d)	14.41	20.58
– Diluted (b/d)	14.41	20.58
31 Contingent liability and commitments		
a) Bank Guarantees outstanding (net of margin money)	3,440.98	1,728.06
b) Claims against the Company currently under litigation (*Ref: Note below)	273.54	23.54
c) Capital Commitment(net of advances)	3,389.22	3,966.81

32 Segment information

Based on the guiding principles given in Ind AS 108 on Segmental Reporting issued by The Institute of Chartered Accountants of India, the Company is a single segment Company mainly engaged in the manufacturing and trading of Steel and therefore Segment Reporting is not applicable.

33 Employee Benefits

(a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

Employer's contribution to Provident Fund and ESI	243.36	80.20
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(b) Defined benefit plans:

Statement of Assets and Liabilities for defined benefit obligation	Leave Encashment (Unfunded)		Gratuity (Unfunded)	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Plan Assets	-	-	-	-
Defined benefit obligation				
Non-current	73.61	60.10	315.04	264.15
Current	7.46	4.06	20.27	19.94
Net Defined Benefit Obligation	81.07	64.16	335.31	284.09

Defined benefits - Gratuity (Unfunded)

The valuation has been carried out using the **Project Unit Credit Method** as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and related service cost. The benefits valued in this report are made in accordance with Payment of Gratuity Act 1972, as amended up to date. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 20 lakhs on superannuation, resignation, termination, disablement or on death.

These defined benefit plans expose the Company to interest rate risk, liquidity risk, salary escalation risk, demographic risk and regulatory risk.

The following tables analyse present value of defined benefit obligations, expense recognised in statement of Profit and Loss, actuarial assumptions and other information.

Reconciliation of the net defined benefit (asset)/ liability:

(i) Reconciliation of present value of defined benefit obligation	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
(a) Balance at the beginning of the year	64.16	47.22	284.09	238.16
(b) Current service cost	14.43	13.93	48.88	39.67
(c) Interest cost	4.62	3.45	20.45	17.39
(e) Actuarial (gains)/ losses recognised in other comprehensive income				
– financial assumptions	1.67	0.59	6.72	2.55
– experience adjustment	0.43	0.90	(11.57)	6.75
(f) Benefits paid	(4.24)	(1.92)	(13.26)	(20.42)
(g) Balance at the end of the year	81.07	64.16	335.31	284.09
(ii) Expense recognised in Profit or Loss				
(a) Current service cost	14.43	13.93	48.88	39.67
(b) Interest cost	4.62	3.45	20.45	17.39
(c) Actuarial (gains) / losses	2.10	1.49	-	-
	21.15	18.87	69.33	57.06

(Rs. in Lakhs)

(iii) Remeasurements recognised in Other Comprehensive Income	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Actuarial loss/ (gain) arising on defined benefit obligation from				
- financial assumptions	-	-	6.72	2.55
- experience adjustment	-	-	(11.57)	6.75
	-	-	(4.85)	9.30

(iv) Actuarial assumptions	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Financial Assumptions				
Discount rate (in %)	6.97%	7.20%	6.97%	7.20%
Expected rate of salary increase (in %)	5.00%	5.00%	5.00%	5.00%
Demographic Assumptions				
Mortality Rate (100%)	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Retirement age (in years)	58	58	58	58
Attrition Rates (p.a)	2	2	2	2

(v) Sensitivity analysis	Leave Encashment		Gratuity	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Defined Benefit obligation (Base)(Rs. in lakhs)	81.07	64.16	335.31	284.09
(a) Discount Rate (+/- 1%)				
Decrease - Rs. in Lakhs	89.09	70.61	367.32	311.70
Decrease - % change compared to base due to sensitivity	9.89%	10.06%	9.55%	9.72%
Increase - Rs. in Lakhs	74.24	58.64	307.67	260.19
Increase - % change compared to base due to sensitivity	-8.43%	-8.61%	-8.24%	-8.41%
(b) Salary Growth Rate (+/- 1%)				
Decrease - Rs. in Lakhs	73.96	58.08	306.22	258.92
Decrease - % change compared to base due to sensitivity	-9.26%	-9.48%	-8.67%	-8.86%
Increase - Rs. in Lakhs	89.76	71.18	368.49	312.75
Increase - % change compared to base due to sensitivity	10.73%	10.94%	9.90%	10.09%
(c) Attrition Rate (-/+ 50% of base)				
Decrease - Rs. in Lakhs	79.55	62.82	331.20	279.88
Decrease - % change compared to base due to sensitivity	-1.87%	-2.09%	-1.22%	-1.48%
Increase - Rs. in Lakhs	82.40	65.35	338.87	287.79
Increase - % change compared to base due to sensitivity	1.65%	1.86%	1.06%	1.30%
(d) Mortality Rate (+/- 10%)				
Decrease - Rs. in Lakhs	80.87	63.98	334.54	283.34
Decrease - % change compared to base due to sensitivity	-0.25%	-0.28%	-0.23%	-0.26%
Increase - Rs. in Lakhs	81.26	64.34	336.06	284.82
Increase - % change compared to base due to sensitivity	0.24%	0.28%	0.23%	0.26%

34 Related Party Disclosures

i) Key Management Personnel (KMP)

	Nature of Relationship
Mr. Deepak Kumar Agarwal	Managing Director
Mr. Ramabatar Agarwal (Ceased w.e.f. 30.05.2023)	Executive Director
Mr. Sanjay Kumar Chowdhary (Ceased w.e.f. 14.02.2023)	Whole Time Director
Mr. Chandan Kumar Khurana (Ceased w.e.f. 01.08.2023)	Independent Director
Mr. Vikrant Ranjan (Appointed w.e.f. 30.05.2023)	Non Executive Director
Mr. Pranab Sarkar (Appointed w.e.f. 01-08-2023)	Independent Director
Mrs. Priyanka Goenka	Independent Director
Mr. Ashok Kumar Sharma	Independent Director
Mr. Ashutosh Sharma	Company Secretary
Mr. Binod Kumar Agarwal	Chief Financial Officer

ii) A private company in which a director or manager or his relative is a member or director

Eloquent Steel Private Limited	Starwise Vincom Private Limited
Infratex Commercial Private Limited	Elegant Care Foundation
Matrivani Impex Private Limited	Bravo Sponge Iron Private Limited
Shivkripa Commercial Private Limited	CRS Enterprises Private Limited
Shivratri Vyapaar Private Limited	Eloquent Steel Iron Private Limited
Starcon Steel Trading Private Limited	Shakambhari Ispat & Power Limited
Ess Dee Aluminium Limited	Krishna Sudama Marketing Pvt Ltd
Shakambari Tie Up Private Limited	BMS Sales Private Limited
Aryavat Niwas Consultants Private Limited	Swapno Marketing Private Limited
Janak Vanijya Private Limited	

iii) A firm, in which a director, manager or his relative is a partner

City Infrapark Llp
SGI Developers Llp (w.e.f 13.03.2024)

iv) Body Corporates in which a director or manager or his relative is a member or director

Damodar Valley Power Consumer's Association
Diamond Prestige Occupants Association

v) Other related parties

Mrs. Swati Agarwala	Relative of KMP
Mrs. Tanesha Agarwala	Relative of KMP
Mr. Mridul Agarwala	Relative of KMP

vi) The following transactions were carried out with related parties in the ordinary course of business:

(Rs. in Lakhs)

Nature of transaction	Name of related party	Transaction for the year ended	
		31-03-2024	31-03-2023
Purchase of Goods	Shakambhari Ispat & Power Ltd.	69,281.92	76,045.20
	Bravo Sponge Iron Pvt. Ltd.	31,487.45	23,651.74
	Eloquent Steel Private Limited	4,002.64	3,382.73
	Shivratri Vyapaar Pvt.Ltd.	208.91	1,620.98
	Shivkripa Commercial Pvt. Ltd.	-	1,443.45
	CRS enterprise Pvt Ltd	-	17.54
	Starcon Steel Trading Pvt Ltd	2,647.64	40.78
	Ess Dee Aluminium Limited	737.04	-
Sale of Goods	Shakambhari Ispat & Power Ltd.	17,758.85	19,456.95
	Bravo Sponge Iron Pvt. Ltd.	4,375.05	1,532.32
	Eloquent Steel Private Limited	3,985.95	5,209.95
	Ess Dee Aluminium Limited	162.55	-
Director Remuneration	Mr. Deepak Kumar Agarwal	84.00	34.00
	Mr. Sanjay Kumar Chowdhary	-	5.25
	Mr. Vikrant Ranjan	11.10	-
	Mrs Swati Agarwala	29.00	-
Rent	Eloquent Steel Iron Pvt Ltd	54.13	47.44
Various Services	Starcon Steel Trading Pvt Ltd	29.15	28.32
Royalty Paid	Shakambhari Ispat & Power Ltd	5.90	5.90
Unsecured Loan & Advances Given	Eloquent Steel Iron Pvt Ltd	475.00	325.00
	Krishna Sudama Marketing Pvt Ltd	-	38.50
	Starcon Steel Trading Pvt Ltd	-	20.78
	Matrivani Impex Pvt Ltd	162.00	-
	Shakambhari Ispat & Power Ltd.	2,000.00	-
	Eloquent Steel Private Limited	777.02	-
	Aryavat Niwas Consultants Private Limited	20.00	-
	Bravo Sponge Iron Pvt. Ltd.	700.00	-
	Janak Vanijya Private Limited	305.00	-
	Swapno Marketing Private Limited	24.00	-
Advances given (in the nature of trade)	Shivratri Vyapaar Pvt.Ltd.	2,255.00	-
	Shivkripa Commercial Pvt. Ltd.	3,928.50	-
Unsecured Loan & Advances Repaid	Eloquent Steel Iron Pvt Ltd	-	1,190.00
	Krishna Sudama Marketing Pvt Ltd	-	38.50
	Starcon Steel Trading Pvt Ltd	-	174.98
	Matrivani Impex Pvt Ltd	137.65	50.64
Advances refunded(in the nature of trade)	Shivratri Vyapaar Pvt.Ltd.	1,746.31	-
	Shivkripa Commercial Pvt. Ltd.	1,288.58	-
Loans Refunded	Shivkripa Commercial Pvt Ltd	-	3,550.00
	Shivratri Vyapar Pvt Ltd	-	750.00
Interest Income	Matrivani Impex Pvt Ltd	10.84	12.45
	Shivratri Vyapar Pvt Ltd	23.14	-
	Shivkripa Commercial Pvt Ltd	40.78	-
Share Alloted	Shivkripa Commercial Pvt Ltd	-	800.00
	Shivratri Vyapar Pvt Ltd	-	800.00
CSR Contribution	Elegant Care Foundation	188.50	30.80
Royalty Received	Shakambhari Ispat & Power Ltd	16.52	5.90
Rent Received	Shakambhari Ispat & Power Ltd	0.71	-
	Bravo Sponge Iron Pvt. Ltd.	0.41	-
	Eloquent Steel Private Limited	0.41	-
Professional Service	Tanisha Agarwal	90.00	-

vii) Outstanding balances:	Name of related party	(Rs. in Lakhs)	
		Balance for the year ended	
		31-03-2024	31-03-2023
Advances to suppliers			
	Shivratri Vyapaar Pvt.Ltd.	-	35.98
	Shivkripa Commercial Pvt. Ltd.	531.83	26.83
	Starcon Steel Trading Pvt Ltd	2,680.70	2,709.25
Loans & Advances Given			
	Matrivani Impex Pvt Ltd	150.00	114.81
	Eloquent Steel Iron Pvt Ltd	475.00	-
	Shakambhari Ispat & Power Ltd.	2,000.00	-
	Eloquent Steel Private Limited	777.02	-
	Aryavat Niwas Consultants Private Limited	20.00	-
	Bravo Sponge Iron Pvt. Ltd.	700.00	-
	Janak Vanijya Private Limited	305.00	-
	Swapno Marketing Private Limited	24.00	-
Trade Payables			
	Ess Dee Aluminium Limited	34.78	-
Miscellaneous			
	Eloquent Steel Iron Pvt Ltd(Security Deposit)	70.00	70.00
Guarantees given by			
	Starwise Vincom Private Limited	4,717.49	2,794.25
	Shakambari Tie Up Private Limited	4,717.49	2,794.25
	Krishna Sudama Marketing Private Limited	4,717.49	2,794.25
	BMS Sales Private Limited	4,717.49	2,794.25
	Mr. Deepak Kumar Agarwal	4,717.49	2,794.25
	Mr. Ramabatar Agarwal	4,717.49	2,794.25
	Mrs. Swati Agarwala	4,717.49	2,794.25

As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

All decisions relating to the remuneration of the directors are taken by the board of directors of the Company, in accordance with shareholder approval, wherever necessary.

Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevailed in arm's length transactions during the financial year.

35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents, loans and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which is periodically approved by the board of directors.

(i) **Credit risk**

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations under the contract. Financial instruments that are subject to credit risk and concentration thereof principally consists of trade receivables, security deposits to vendors, balances with bank and bank deposits. The maximum exposure in respect of these instruments amounts to **Rs. 32,988.13 Lakhs (PY Rs. 34,089.87 Lakhs)** excluding loss allowance of Rs. 10,998.94 Lakhs (PY Rs. 10,692.18 Lakhs) on trade receivables. However, the Company has not provided any financial guarantees to third parties.

(ii) **Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities. The company invests its surplus funds in bank fixed deposit (presently liened) and in mutual funds, which carry no or low market risk .

The cash and cash equivalents of the company amounts to Rs 368.37 lakhs as on 31.03.2024 (PY Rs 2,709.54 lakhs)

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Rs. in Lakhs)				
As at 31st March 2024	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	19,598.34	16,415.21	3,343.46	39,357.00
Trade payables	12,664.10	66.57	-	12,730.67
	32,262.44	16,481.78	3,343.46	52,087.68
As at 31st March 2023	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	10,961.52	15,789.89	6,239.35	32,990.76
Trade payables	11,248.13	157.67	-	11,405.80
	22,209.65	15,947.56	6,239.35	44,396.56

(iii) **Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

(a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Variable rate instruments		
Financial liabilities	39,357.00	32,990.76

(b) **Equity price risks**

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade in these investments.

(c) **Currency risk**

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	(Rs. in Lakhs)			
	As at 31.03.2024		As at 31.03.2023	
	USD	INR	USD	INR
Financial Assets	8.87	739.42	866.61	71,249.99
Financial Liabilities	0.88	73.37	-	-

36 **Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to:

- (a) maximise shareholders value and provide benefits to other stakeholders and
- (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

	As at 31.03.2024	As at 31.03.2023
Equity Share Capital	8,050.00	8,050.00
Other Equity	53,072.62	41,433.00
Total Equity (A)	61,122.62	49,483.00
Non-Current Borrowings	19,758.67	22,029.24
Current Borrowings	19,598.34	10,961.52
Gross Debt (B)	39,357.00	32,990.76
Total (A+B)	1,00,479.63	82,473.76
Gross Debt (as above)	39,357.00	32,990.76
Less: Cash and Cash Equivalents	368.37	2,709.54
Net Debt (C)	38,988.63	30,281.22
Net debt to equity *	0.71	0.86

* Equity has been computed based on average of opening and closing total equity

37 Financial instruments and related disclosures**37.1 Fair value measurement**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

37.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

	As at 31st March 2024		As at 31st March 2023	
	Carrying	Fair value Level 1	Carrying	Fair value Level 1
A. Financial assets:				
a) Measured at amortised cost				
Investments	2,497.25	-	0.03	-
Other financial assets	1,122.89	-	782.72	-
Trade receivables	20,545.16	-	19,906.89	-
Cash and cash equivalents	368.37	-	2,709.54	-
b) Measured at fair value through other comprehensive income				
Investments	153.71	153.71	97.42	97.42
B. Financial liabilities:				
a) Measured at amortised cost				
Borrowings	39,357.00	-	32,990.76	-
Trade payables	12,730.67	-	11,405.80	-

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(Rs. in Lakhs)

	As at 31.03.2024	As at 31.03.2023
38 CSR Disclosures		
(a) Amount required to be spent by the company during the year	149.46	58.70
(b) Amount of expenditure incurred	189.44	67.77
(c) Amount of expenditure incurred		
- On construction/acquisition of any asset	-	-
- On purposes other than above	<u>189.44</u>	<u>67.77</u>

(d) Out of CSR expenses above, Rs.188.50 lakhs (Previous Year Rs. 30.80 lakhs) contributed to Elegant Care Foundation, which is a related party. (Refer Note-34)

(e) Reconciliation of CSR spending:

Particulars	Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance	Balance carried forward
Previous reporting period	6.38	58.70	67.77	15.45	15.45
Current reporting period	15.45	149.46	189.44	55.43	55.06

39 Income Tax

Income Tax Recognised in Profit & Loss :-

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Current tax		
In respect of the current year	0.14	-
Total	0.14	-
Deferred tax		
In respect of the current year	1,097.82	(1,509.51)
Total	1,097.82	(1,509.51)
Total income tax expense recognised in the current year	1,097.96	(1,509.51)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Profit before tax	12,675.42	11,298.39
Applicable Tax Rate	34.944%	34.944%
Income tax expense	4,429.30	3,948.11
Tax Effect of:		
Allowable Expenses	(1,754.57)	(2,788.87)
Expenses disallowed	<u>(1,555.40)</u>	<u>346.12</u>
	1,119.33	1,505.36
Deferred tax on items that will not be reclassified to profit or loss		
Remeasurements of Defined Benefit Plan	(1.70)	3.25
Fair value changes of investments in mutual fund	<u>(19.67)</u>	<u>0.90</u>
Income tax expenses recognised in Other Comprehensive Income (B)	(21.37)	4.15
Total income tax expense recognised in the current year (A + B)	1,097.96	1,509.51

40 The Company has entered into operating lease agreements in letting out space. The lease agreements are made for specific period. Lease payments received/recognized in the Statement of Profit & Loss for the year ended 31st March 2024 amounted to Rs 1.90 Lakhs (Previous Year- Nil). Future receivables for operating lease are as follow:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Not Later than 1 Year	2.40	-
Later than one year but not later than 5 years	7.20	-
More than 5 years	7.70	-

Since the lease is an operating lease, the Company is accounting for the rental income in the books as per the requirement of Ind AS 116 over the period of the lease term.

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(Rs. in Lakhs)

- 41 The Company has entered into leave & license agreement for letting in space. The lease agreements are made for specific period as per agreement. Lease payments paid are recognized in the Statement of Profit & Loss ended 31 March 2024 amounted to Rs 62.20 lakhs (Previous Year Rs 131.05 Lakhs). Future payments for operating leases are as follow:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Not Later than 1 Year	47.00	57.49
Later than one year but not later than 5 years	98.58	121.48
More than 5 years	3.36	4.48

Name of Entity	As % of Consolidated Net Assets	Net Assets, i.e total assets minus total liabilities	As % of consolidated profit or loss	Share of Profit or Loss
Parent	92.88	56,771.60	89.86	10,422.98
Subsidiary				
SPS Metal Cast and Alloys Limited	7.12	4,351.03	10.14	1,175.84
		61,122.63		11,598.82
Consolidated Net Asset/Profit After Tax	-	5.27	-	
Minority Interest in all Subsidiaries	-	2.00	-	-

43 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The company does not have any Benami property, where any proceeding has been initiated or is pending against the company for holding any Benami property.

(ii) The company does not have any transactions with companies struck off.

(iii) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company has not advanced or loaned or invested funds to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(a) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii) The company has not made any such transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(viii) The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(ix) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

44 Previous year figures have been reclassified / regrouped wherever necessary to correspond to this year's figures.

As per our Report Annexed

For V.SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration No. 311017E

Deepak Kumar Agarwal
Director

Ashok Kumar Sharma
Director

(V.K. Singhi)

Partner

Membership No. 050051

Binod Kumar Agrawal
Chief Financial Officer
AGEPA5572F

Ashutosh Sharma
Company Secretary
M. No.: 9045

Place: Kolkata

Date: 30.05.2024

SPS Steels Rolling Mills Limited

Regd. Office: - "Diamond Prestige", 41 A, A.J.C Bose Road, 7th Floor, Kolkata-700017

Website- www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.in,

Phone: 033-6625 5252 **CIN** - L51909WB198111PLC034409

FORM NO. MGT-1 1 PROXY FORM

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

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of **SPS Steels Rolling Mills Limited** will be held on Tuesday, September 24, 2024 at 10:30 A.M at the Registered Office of the Company at Diamond Prestige, 41 A A.J.C Bose Road, 7th Floor, Suite No.701, Kolkata-700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
Ordinary Resolutions			
1.	To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 together with the reports of Auditors thereon and Board of Director.		
2.	To re-appoint Mr. Vikrant Ranjan as a Director, liable to retire by rotation		
Special Resolutions			
3.	To ratify remuneration to be paid to M/s Sohan Lal Jalan & Associates, Cost Accountants as Cost Auditors of the Company for the financial year ending 2024-25.		
4.	To approve material related party transaction(s) with Shakambhari		

	Ispat & Power Limited for the F.Y 2024-25		
5.	To approve material related party transaction(s) with Bravo Sponge Iron Private Limited for the F.Y 2024-25		
6.	To approve material related party transaction(s) with Eloquent Steel Private Limited for the F.Y 2024-25		
7.	To approve material related party transaction(s) with Ess Dee Aluminium Limited for the F.Y 2024-25		
8.	To re-appoint Mr. Deepak Kumar Agarwal as Managing Director		

* Applicable for investors holding shares in electronic form.

Affix Revenue
Stamps

Signed this _____ day of _____ 20____

Signature of Shareholder

Signature of Proxy holder
across

Signature of the shareholder
Revenue Stamp

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company

SPS Steels Rolling Mills Limited

Regd. Office: - "Diamond Prestige", 41 A, A.J.C Bose Road, 7th Floor, Kolkata-700017

Website- www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.in,

Phone: 033-6625 5252 **CIN** - L51909WB198111PLC034409

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the hall:

I, hereby record my attendance at the 42nd Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Tuesday, September 24, 2024 at 10:30 A.M at the Registered Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7th Floor, Room No.701, Kolkata-700017

DP ID :		CLIENT ID :	
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)		FOLIO NO.	

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____

-----X-----X-----X-----

EVEN (Electronic Number)	Voting	Event	USER ID	PASSWORD/PIN

Note: E-voting period: September 21, 2024 at 9:00 A.M IST and ends on September 23, 2024 at 05:00 P.M. IST.

If you have any query regarding e-voting Password/PIN, please contact at evoting@nsdl.co.in.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.