

# 41st Annual Report

## SPS STEELS ROLLING MILLS LIMITED



**BUILD  
TOWARDS A  
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FUTURE**

**ELEGANT<sup>®</sup>**  
**S T E E L**

INDIA'S **no.1** QST BAR

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Deepak Kumar Agarwal, Managing Director  
Mr. Ajit Kumar Nath, Independent Director (resigned w.e.f January 6, 2023)  
Mr. Chander Khurana, Independent Director (appointed w.e.f January 6, 2023)  
Mr. Sanjay Kumar Chowdhary, (resigned w.e.f February 14, 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

## 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@nicetechpl.com](mailto:nichetechpl@nicetechpl.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](http://www.spsgroup.co.in)

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## SPS STEELS ROLLING MILLS LIMITED

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

CIN: L51909WB1981PLC034409

E-mail: [compliance@shakambharigroup.in](mailto:compliance@shakambharigroup.in)

### Notice of Annual General Meeting

**NOTICE** is hereby given that the **41<sup>st</sup> Annual General Meeting** (AGM) of the members of **SPS STEELS ROLLING MILLS LIMITED** ("the Company") will be held on Thursday, August 31, 2023 at 3:30 P.M. Indian Standard Time (IST) at the Registered Office of the Company at Diamond Prestige, Suite No. 701, 7<sup>th</sup> 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, 2023 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, 2023, 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, 2023, together with the report of Auditors thereon, be and are hereby received, considered and adopted."

2. **To re-appoint Mr. Deepak Kumar Agarwal as a Director, liable to retire by rotation**

**"RESOLVED THAT** Mr. Deepak Kumar Agarwal (DIN 00646153), 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 2023-24.**

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 2023-24, be and is hereby ratified, confirmed and approved."

#### 4. **Payment of remuneration to Non-Executive Directors (including Independent Directors) of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, Regulation 17(6) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, such other approval(s), permission(s) and sanction(s) as may be necessary, in addition to the sitting fees and reimbursement of expenses for attending the Meetings of the Board of Directors and Committees thereof, and pursuant to the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for payment of remuneration to the Non-Executive Directors (including Independent Directors) of the Company, appointed from time to time, of such amount up to a limit of Rs. 20,00,000/- (Rupees twenty lakhs only) per Non-Executive Director (including Independent Directors), per annum, effective 1st April, 2023, which may exceed 1% or 3% of the net profits of the Company, as the case may be, computed as per Section 198 of the Act, payable in such form and manner as the Board of Directors of the Company may from time to time determine;

**RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the Company may pay the above remuneration to its Non-Executive Director (including Independent Directors) as minimum remuneration, for a period not exceeding three years or such other period as may be statutorily permitted subject to receipt of the requisite approvals;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this Resolution and for the matters connected therewith or incidental thereto."

#### 5. **Appointment of Mr. Pranab Sarkar (DIN 10195531) as an Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder, and Regulations 16, 25(2A) and other relevant applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, ('SEBI Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Pranab Sarkar (DIN 10195531), who was appointed as an Additional Director in the capacity of Independent Director with effect from August 01, 2023, and has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company with effect from August 1, 2023 to July 31, 2028 (both days inclusive), not liable to retire by rotation, on such terms and conditions as may be determined by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER THAT** any of the Directors and / or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds and things, as it may, in its absolute discretion, consider necessary, expedient, or desirable in order to give effect to this resolution.

**6. Appointment of Mr. Vikrant Ranjan as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation**

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

**"RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and the Articles of Association of the Company, Mr. Vikrant Ranjan (DIN: 06954394) who was appointed as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. May 30, 2023 and who holds office until the date of the next annual general meeting in terms of Section 161 of the Act and in respect of whom the Company has received notices in writing from members under Section 160 of the Act, signifying their intention to propose Mr. Vikrant Ranjan as a candidate for the office of a director of the Company, be and is hereby appointed as a Director (Non-Executive Non-Independent) of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him from time to time and to settle any question or difficulty in connection herewith and incidental hereto"

**7. 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 and use of the brand owned by Shakambhari Ispat & Power Limited by the Company, and the use of the brand owned by the Company by Shakambhari Ispat & Power Limited including transactions as set out in the explanatory statement to this Item, for the period beginning 01 April 2023 till 31 March 2024, and upto to a maximum aggregate value of INR 2,000 crores (Rupees Two 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."

**8. 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 2,000 crores (Rupees Two 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."

#### **9. 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 2023 till 31 March 2024, and upto to a maximum aggregate value of INR 1,000 crores (Rupees One 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."

**10. 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 1,000 crores (Rupees One 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."

**11. 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 2023 till 31 March 2024, and upto to a maximum aggregate value of INR 1,000 crores (Rupees One 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."

**12. 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 1,000 crores (Rupees One 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."

**By order of the Board**

**Ashutosh Sharma**  
**Company Secretary**

**Date: August 01, 2023**  
**Place: Kolkata**

## 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 2022-23 has been uploaded on the website of the Company at [www.spsgroup.co.in](http://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](http://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](http://www.evoting.nsdl.com).
9. The Register of members and share transfer books of the Company will remain closed from Friday, August 25, 2023 to Thursday, August 31, 2023 (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., Thursday, August 24, 2023, 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., Thursday, August 24, 2023, 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 Monday, August 28, 2023 at 9.00 a.m. and will end on Wednesday, August 30, 2023 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., Thursday, August 24, 2023 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 Cutoff date i.e., Thursday, August 24, 2023.
- vii. The Company has appointed CS Bijay Agarwal, Practising Company Secretary (Membership No. ACS: 10323; CP No: 13549), to act as the Scrutinizer for remote e-voting as well as voting at the AGM, in a fair and transparent manner.

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.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' 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 "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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</li> </ol>



	<p>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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>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.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>

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.
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**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) 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.
- c) How to retrieve your 'initial password'?
  - (i) 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'.
  - (ii) 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:

- a) 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](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) 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 [agarwalvj18@gmail.com](mailto:agarwalvj18@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). 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](http://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](http://www.evoting.nsdl.com) or call on: 022- 4886 7000 and 022- 2499 7000 or send a request to Ms. Pallavi Mhatre , Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **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](mailto: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](mailto: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.co.in](mailto:evoting@nsdl.co.in) 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](http://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](mailto: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, 2024.

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**

In terms of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended), the board shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting. The said requirement shall not apply to payment of sitting fees to non-executive directors, if made within the prescribed limits of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) vide notification dated March 18, 2021 amended provisions of Sections 149 and 197 of the Companies Act, 2013 by the Companies (Amendment) Act, 2020 to enable the companies having no profits or inadequate profits to pay remuneration to its Non-Executive Directors (including Independent Directors), in accordance with the provisions of Schedule V of the Act. To give effect to the amendments made to Sections 149 and 197, a concurrent amendment was made by MCA to Schedule V of the Companies Act, 2013 vide Notification dated March 18, 2021. This notification has prescribed the limits of the remuneration payable to Non-Executive Directors (including Independent Directors), in the event of absence of profits and/ or inadequacy of profits.

Having regard to the view that the non-executive directors, including Independent Directors contribute their wealth of knowledge, skills, expertise, independent perspective, strategies and experience to the business of the Company and provide required diversity in Board's decision-making process, they should be appropriately compensated for the same both in case of inadequacy of profits or losses as well.

In terms of the above mentioned provisions of the Act and amendments thereof and requirements of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended), approval of the Members of the Company is hereby sought to pay remuneration, in addition to the sitting fees / reimbursement of expenses (if any) for attending the meetings of the Board or Committees thereof, to the Non-Executive Directors (including Independent Directors) of the Company i.e. Directors other than Managing Director / Whole-time Directors of the Company not exceeding in Rs. 20,00,000/- per Non-Executive



Director (including Independent Directors), per annum, in aggregate, to be distributed in such manner and proportion as the Board may decide from time to time, on the recommendation of the Nomination and Remuneration Committee, notwithstanding the remuneration paid may exceed the limits prescribed under Section 197(1)(ii) of the Act in any financial year(s), for each of the three financial years commencing from April 1, 2023, paid in accordance with Schedule V to the Act. In the event of loss or inadequacy of profits in any financial year(s) out of the above during the term of office of the Non-Executive Directors, the Company will pay the Non-Executive Directors (including Independent Directors) of the Company, in respect of such financial year(s) in which such inadequacy or loss arises, the above remuneration, in accordance with the provisions of Section 197(3) read with Schedule V to the Act.

Except Non-Executive Directors (including Independent Directors) of the Company being the concerned directors and their relatives, to the extent of their shareholding, if any, in the Company, no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise in the Resolution No. 4 as contained in the Notice.

The Board recommends the Resolution No. 4 as a Special Resolution, in relation to payment of remuneration to Non-Executive Directors of the Company for approval of the Members of the Company.

#### **ITEM NO.-5**

The Board of Directors of the Company had appointed Mr. Pranab Sarkar (DIN 10195531), based on the recommendations of the Nomination and Remuneration Committee, as an Additional Director of the Company, with effect from August 01, 2023. Subject to the approval of the Members, Mr. Sarkar was appointed as an Independent Director for a period commencing from August 01, 2023, upto July 31, 2028, not liable to retire by rotation. Mr. Sarkar, being an Additional Director, holds office subject to the approval of shareholders under Section 161(1) of the Companies Act, 2013 ('the Act') and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') but is eligible for appointment as an Independent Director. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of Independent Directors requires the approval of the Members of the Company. However, in terms of the Regulation 17(1C) of the SEBI Listing Regulations, effective from January 1, 2022, a listed entity shall ensure that the approval of Members for the appointment of a person on the Board of Directors has to be taken either at the next general meeting or within a time period of 3 (three) months from the date of appointment, whichever is earlier. Accordingly, the approval of the Members is sought to comply with the SEBI Listing Regulations.

Further in terms of Regulation 25(2A) of the SEBI Listing Regulations, the appointment of an Independent Director of a listed entity, shall require the approval of Members by way of a Special Resolution. According to the SEBI Listing Regulations (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, effective November 14, 2022, if the Special Resolution for the appointment of Independent Director fails to get the requisite majority of votes; but the votes cast in favour of the resolution exceeds the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceeds the votes cast against the resolution, then the appointment of such an Independent Director of the Company shall be deemed to have been made under Regulation 25(2A) of the SEBI Listing Regulations.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sarkar has enrolled his name in the online data bank maintained for Independent Directors with the Indian Institute of Corporate Affairs.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and in terms of Regulation 17(1C) of the SEBI Listing Regulations and other applicable provisions, the appointment of Mr. Sarkar as an Independent Director is being placed for the approval of the Members within the stipulated time frame.

**A brief profile of Mr. Pranab Sarkar is as under:**

Pranab Sarkar is an experienced banking professional who dedicated over three decades of his career to the State Bank of India. With a strong background in credit management and general banking, he excelled in various roles and steadily climbed the corporate ladder. Pranab completed his graduation in 1979, acquiring a solid educational foundation. He began his career as a Credit Officer, showcasing expertise in credit analysis and risk management. Pranab's meticulous approach and comprehensive understanding led him to the role of Credit Auditor, where he contributed to improving credit practices within the organization. Due to his exceptional performance, he achieved the position of Assistant General Manager before retiring in 2018.

The Board, based on the recommendation of Nomination and Remuneration Committee, considers that given his skills, integrity, expertise and experience, the association of Mr. Sarkar would be beneficial to the Company and it is desirable to avail his services as an Independent Director.

Brief profile, details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards – 2 are disclosed in the Annexure – 1 (Part – I) attached to this Notice. In compliance with the provisions of Section 149 read with Schedule IV of the Act.

Accordingly, the Board recommends the Special Resolution as set out in the accompanying Notice in relation to appointment of Mr Pranab Sarkar as an Independent Director, for a period commencing from August 01, 2023, upto, July 31, 2028, for approval of the Members.

Except Mr Pranab Sarkar and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives, is concerned or interested in the Resolution set out in the Notice. Mr Sarkar is not related to any other Director or Key Managerial Personnel of the Company.

**ITEM NO.-6**

Pursuant to Section 161 of the Companies Act, 2013 (as amended) (the "Act"), the Board of Directors of the company has appointed, Mr. Vikrant Ranjan (DIN: 06954394) as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. May 30, 2023 to hold such office in terms of Section 161 of the Act. Notices under Section 160 of the Act have been received by the Company from members proposing the candidature of Mr. Vikrant Ranjan as a Director (Non-Executive Non-Independent) of the Company, liable to retire by rotation. Further, since this appointment is recommended by the Nomination and Remuneration Committee, the requirement for deposit of Rs. 1,00,000/- is not applicable.

Based on the recommendation received from the Nomination and Remuneration Committee and consent of Mr. Vikrant Ranjan to act as a Director of the Company and other statutory disclosures, it is proposed to appoint Mr. Vikrant Ranjan as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation. Further as per the declarations received by the Company, Mr. Vikrant Ranjan is not disqualified under Section 164 of the Act. The directorships held by Mr. Vikrant Ranjan are within the limits prescribed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). Brief profile, details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read together with Secretarial Standards – 2 are disclosed in the Annexure – 1 (Part – II) attached to this Notice.

The Board recommends the Resolution at Item No. 6 for approval of the members.

Except Mr. Vikrant Ranjan being the concerned director, and his relatives, to the extent of their shareholding, if any, in the Company, no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise, in Resolution No. 6 as contained in the Notice.

### **ITEM NO.- 7, 8, 9, 10, 11 & 12**

#### **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 crore, 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 2023-24 & 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. 7, 8, 9, 10, 11 and 12 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. 7:

#### 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 &amp; Power Limited</p> <ul style="list-style-type: none"> <li>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;</li> <li>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.</li> <li>Use of the any brand name owned (Example: Thermocon) by Shakambhari Ispat &amp; Power Limited by the Company) and the use of the any brand name owned (Example: Elegant) by the Company by Shakambhari Ispat &amp; Power Limited</li> <li>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.</li> <li>Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> <li>Sharing or usage of each other's resources and reimbursement</li> <li>Any transfer of resources, services, or obligations to meet its objectives/requirements</li> </ul>
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 2023-24
vi.	Value of the proposed transaction	Not to exceed Rs. 2000 crores
vii.	Value of RPT as % of – • Company's audited consolidated annual turnover of Rs. 1828.00 Crores for the financial year 2022-2023. • Subsidiary's annual standalone turnover for the financial year 2022-23.	Approx. 109.41%.  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. 8:

#### 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 &amp; Power Limited</p> <ul style="list-style-type: none"> <li>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;</li> </ul>

		<ul style="list-style-type: none"> <li>• 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.</li> <li>• Use of the any brand name owned (Example: Thermocon) by Shakambhari Ispat &amp; Power Limited by the Company) and the use of the any brand name owned (Example: Elegant) by the Company by Shakambhari Ispat &amp; Power Limited</li> <li>• 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.</li> <li>• Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> <li>• Sharing or usage of each other's resources and reimbursement</li> <li>• Any transfer of resources, services, or obligations to meet its objectives/requirements</li> </ul>
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. 2000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> <li>• Company's audited consolidated annual turnover of Rs. 1828.00 Crores for the financial year 2022-2023.</li> <li>• Subsidiary's annual standalone turnover for the financial year 2022-23.</li> </ul>	Approx. 109.41%.  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

### C. Resolution Item No. 9:

#### 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	<p>The Company undertakes/proposes to undertake the following transactions with Bravo Sponge Iron Private Limited</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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.</li> <li>• Use of any Brand owned by SPS Steels Rolling Mills Limited</li> <li>• 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.</li> <li>• Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> </ul>

		<ul style="list-style-type: none"> <li>Sharing or usage of each other's resources and reimbursement</li> <li>Any transfer of resources, services, or obligations to meet its objectives / requirements</li> </ul>
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 2023-24
vi.	Value of the proposed transaction	Not to exceed Rs. 1000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> <li>Company's audited consolidated annual turnover of Rs. 1828.00 Crores for the financial year 2022-2023.</li> <li>Subsidiary's annual standalone turnover for the financial year 2022-23.</li> </ul>	<p>Approx. 54.70%.</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. 10:**

**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	<p>The Company undertakes/proposes to undertake the following transactions with Bravo Sponge Iron Private Limited</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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.</li> <li>• Use of any Brand owned by SPS Steels Rolling Mills Limited</li> <li>• 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.</li> <li>• Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> <li>• Sharing or usage of each other's resources and reimbursement</li> <li>• Any transfer of resources, services, or obligations to meet its objectives / requirements</li> </ul>
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. 1000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> <li>• Company's audited consolidated annual turnover of Rs. 1828.00 Crores for the financial year 2022-2023.</li> <li>• Subsidiary's annual standalone turnover for the financial year 2022-23.</li> </ul>	<p>Approx. 54.70%.</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

#### **E. Resolution Item No. 11:**

#### **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"> <li>• 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;</li> <li>• 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.</li> <li>• Use of any Brand owned by SPS Steels Rolling Mills Limited</li> <li>• 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.</li> </ul>

		<ul style="list-style-type: none"> <li>• Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> <li>• Sharing or usage of each other's resources and reimbursement</li> <li>• Any transfer of resources, services, or obligations to meet its objectives /requirements</li> </ul>
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 2023-24
vi.	Value of the proposed transaction	Not to exceed Rs. 1000 crores
vii.	Value of RPT as % of – <ul style="list-style-type: none"> <li>• Company's audited consolidated annual turnover of Rs. 1828 Crores for the financial year 2022-2023.</li> <li>• Subsidiary's annual standalone turnover for the financial year 2022-23.</li> </ul>	<p>Approx. 57.70%.</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

**F. Resolution Item No. 12:**

**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"> <li>• 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;</li> <li>• 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.</li> <li>• Use of any Brand owned by SPS Steels Rolling Mills Limited</li> <li>• 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.</li> <li>• Availing of unsecured loans/ advances for its business, from time to time, on arms' length basis</li> <li>• Sharing or usage of each other's resources and reimbursement</li> <li>• Any transfer of resources, services, or obligations to meet its objectives /requirements</li> </ul>
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. 1000 crores
vii.	Value of RPT as % of – • Company's audited consolidated annual turnover of Rs. 1828 Crores for the financial year 2022-2023. • Subsidiary's annual standalone turnover for the financial year 2022-23.	Approx. 57.70%.  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

#### **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.

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

**Annexure – 1 (Part – I)**

<b>Name of the Director</b>	<b>Mr Pranab Sarkar</b>
Director Identification Number (DIN)	10195531
Date of Birth	September 25, 1958
Nationality	Indian
Category	Non-Executive Independent Director
Date of Appointment on the Board	August 01, 2023
Expertise in specific functional areas	Credit Management & General Banking
Skill & Capabilities required for the role	Possesses wide experience and expertise in credit analysis and risk management.
Qualifications	Mr. Pranab Sarkar completed his graduation in 1979, acquiring a solid educational foundation.
No. of Shares held in the Company	Nil
Relationships between Directors and Key Managerial Personnel inter-se	None
Terms and Conditions of appointment	Appointed as an Independent Director for a period commencing from August 01, 2023, upto, July 31, 2028.
Directorships held in other public companies (Excluding foreign companies) as on date of this Notice	Nil
Position held in mandatory Committees of Other companies.	Nil
Listed entities from which the Director resigned in the past three years	Nil
Details of Remuneration sought to be paid	Sittings fees as per Companies Act, 2013
Remuneration	NA

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

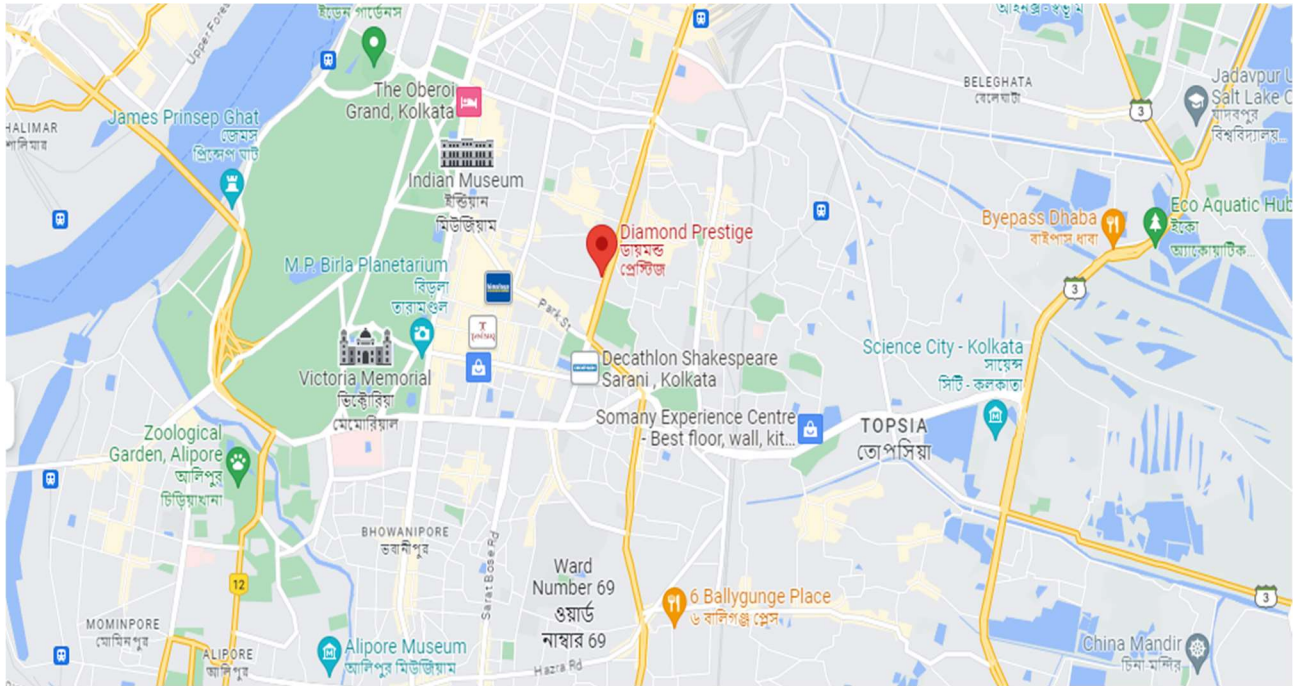
**Annexure – 1 (Part – II)**

<b>Name of the Director</b>	<b>Mr Vikrant Ranjan</b>
Director Identification Number (DIN)	06954394
Date of Birth	December 31, 1977
Nationality	Indian
Category	Non-Executive Non -Independent Director
Date of Appointment on the Board	May 30, 2023
Expertise in specific functional areas	He has a rich experience of over 20 years in the iron and steel industry, with more than 6 years in senior management positions.
Skill & Capabilities required for the role	His key skills and expertise in specific functional areas related to plant operations include business strategy, legal affairs, finance, and project management, among others.
Qualifications	He is a graduate from the University of Calcutta and holds an MBA degree from IMT Ghaziabad.
No. of Shares held in the Company	Nil
Relationships between Directors and Key Managerial Personnel inter-se	None
Terms and Conditions of appointment	Non-Executive Non-Independent Director, liable to retire by rotation.
Remuneration	As recommended by the NRC and approved by the Board of Director from time to time, in compliance with the provisions of the Companies Act, 2013.

## ROUTE MAP

### SPS STEELS ROLLING MILLS LIMITED

**Diamond Prestige, 41A, A.J.C. Bose Road, 7<sup>th</sup> Floor, Suite No. 701, Kolkata – 700017**



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

## BOARD REPORT 2022-23

**Dear Members,**

Your directors are pleased to present the 41<sup>st</sup> Annual Report of SPS Steels Rolling Mills Limited along with the Audited (Standalone & Consolidated) Financial Statements for the financial year ended March 31, 2023.

### FINANCIAL RESULTS

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

(INR in Lacs)

Particulars	Standalone		Consolidated
	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2023
Revenue from Operation	1,73,641.72	1,24,021.58	1,82,800.34
Other Income	3,428.92	222.67	5,293.70
Profit/loss before Depreciation, Finance Costs and Tax Expense	17,135.29	8,839.67	20,795.05
Less: Finance Cost	3,192.89	2,709.77	3,193.79
Profit /loss before Depreciation	13,942.40	6,129.90	17,601.26
Less: Depreciation	2,644.01	1,980.06	2,741.43
Profit before Tax (PBT) and Exceptional Items	11,298.39	4,149.84	14,859.82
Less: Exceptional Items	-	-	(195.85)
Profit Before Tax (PBT)	11298.39	4149.84	15,055.66
Less: Current Tax	-	-	-
Deferred Tax	(1509.51)	-	(1,509.51)
Profit After Tax (PAT)	<b>12,807.90</b>	<b>4,149.84</b>	<b>16,565.18</b>
Other Comprehensive Income	(11.88)	(16.84)	<b>(11.88)</b>
Total Comprehensive Income	<b>12,796.03</b>	<b>4,133.00</b>	<b>16,553.30</b>
Earnings per share (Basic)	<b>18.75</b>	<b>8.30</b>	<b>24.27</b>
Earnings per Share (Diluted)	<b>18.75</b>	<b>8.30</b>	<b>24.27</b>

### STATE OF COMPANY'S AFFAIRS

During the year under review, the Company achieved a turnover on a standalone basis of Rs. 1,736.42 Crores compared to Rs. 1,240.22 Crores in the preceding financial year, representing a growth of 40%. The company also recorded a net profit of Rs. 127.96 Crores, an increase from the net profit of Rs. 41.33 Crores in the previous year. On a consolidated basis, the group achieved a turnover of Rs. 1828.80 Crores.

### 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, 2023.

### RESERVES

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



## **SHARE CAPITAL**

### **Increase in Authorised Share Capital**

The Authorised Share Capital of the Company as on March 31, 2023 is Rs. 82,50,00,000/- consisting of 8,25,00,000 equity shares of Rs. 10/- each. During the year under review, the Company increased the authorised share capital from 50,00,00,000/- consisting of 5,00,00,000 equity shares of Rs. 10/- each to Rs. 82,50,00,000/- consisting of 8,25,00,000 equity shares of Rs. 10/- each. The necessary amendments were made to the capital clause in the Memorandum of Association of the Company to enable the increase in the Authorised Share Capital of the Company. This was approved by Shareholders in the 40<sup>th</sup> Annual General Meeting held on July 30, 2022.

### **Increase in Issued, Subscribed and Paid-up Share Capital**

During the year under review, Pursuant to the provisions of Sections 42 and 62(1)(c), and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and in accordance with the provisions of the Memorandum and Articles of Association, the Company has issued and allotted additional 3,05,00,000 equity shares on private placement basis under preferential issue. Accordingly, the Company's Issued, Subscribed and Paid-up Capital has increased from Rs. 50,00,00,000 /- (Rupees Fifty Crore only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each to Rs 80,05,00,000 (Eighty Crore Five Lac Only) comprising of 8,05,00,000 Equity Shares of Rs 10/- each.

## **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. Deepak Kumar Agarwal (DIN: 00646153), Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. The necessary resolution for re-appointment of Mr. Deepak Kumar Agarwal will be included in the Notice convening 41<sup>st</sup> Annual General Meeting for the approval of Members

## Appointment

On the recommendation of Nomination & Remuneration Committee, the Board at its meeting held on January 06, 2023 appointed Mr. Chander Khurana (DIN:06693635) as Non-executive, Independent Director for a period of 5 years commencing from January 06, 2023 to January 05 2028 (both days inclusive) which was duly approved by the members of the Company through Postal Ballot on March 30, 2023.

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 will be included in the Notice convening 41<sup>st</sup> Annual General Meeting for the approval of Members.

## Resignation

- The Resignation of Mr. Ajit Kumar Nath (DIN:08641824) as Non-Executive Independent Director of the Company w.e.f January 06, 2023.
- The Resignation of Mr. Sanjay Kumar Chowdhary (DIN:08402623) as Director of the Company w.e.f February 14, 2023.
- As on the date of this report Mr. Ramabatar Agarwal has resigned as Director of the Company w.e.f May 30, 2023.

## 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, nine 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 2022-23, was held on February 14, 2023, 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, 2023, 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](http://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](http://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](http://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, 2023 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, 2023 issued by CS Mayank Daga, 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 40<sup>th</sup> Annual General Meeting of the Company held on July 30, 2022, for a term of 5 consecutive years commencing from the conclusion of 40<sup>th</sup> Annual General Meeting till the conclusion of 45<sup>th</sup> 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 2022-23 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, Mr. Mayank Daga, Practicing Company Secretary was appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit for the year ended March 31, 2023.

The Secretarial Audit Report (MR-3) for the Financial Year ended March 31 2023, 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, 2024. 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 - 2023-24 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 2023-2024.

## **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](http://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, 2023 is available at the website, i.e., [www.spsgroup.in](http://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 change 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.

## **PREFERENTIAL ISSUE OF EQUITY SHARES ON PRIVATE PLACEMENT BASIS**

Pursuant to the shareholders' approval received at 40<sup>th</sup> Annual General Meeting held on July 30, 2022, your Company has issued 3,05,00,000 equity shares of the face value of Rs. 10/- each, at a price of Rs. 40/- per equity share (at a premium of Rs. 30/- per equity share), aggregating to Rs. 122 Crore, by way of a preferential issue on a private placement basis in terms of provisions of Section 42, 62 and such other applicable provisions of the Act read with the rules made thereunder and Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Post completion of the issuance, the equity paid up share capital of the Company has increased from 5,00,00,000 Equity Shares of Rs.10/- each to 8,05,00,000 Equity Shares of Rs. 10/- each.

## **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: May 30, 2023  
Place: Kolkata

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

**ASHOK KUMAR SHARMA**  
**DIRECTOR**  
**DIN: 09273096**

## Annexure 1

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### OVERVIEW

The objective of this report is to convey the Management's perspective on the external environment and steel and Iron industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2022-23. This should be read in conjunction with the Company's financial statements, the schedules, and notes thereto. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

#### OUTLOOK

##### Global Economy

Global GDP growth is estimated to fall from 3.4% in 2022 to 2.8% in 2023. The continuing Russia-Ukraine war along with central banks hiking rates to tame inflation continues to weigh on economic activity. Growth in 2022 was dampened due to rapid spread of COVID-19 variants in China and the ongoing war in Ukraine. The concerted sanctions on Russia, which supplies around 10% of the world's energy, lead to dampening growth and further straining of supply chain. The war worsens the persistent inflation across developed economies. However, the recent re-opening may lead to faster than expected recovery in 2023. Growth rate in 2023 in USA is expected to be 1.6%, while the eurozone is expected to remain strained at 0.8%. The energy shock, a result of the war in Ukraine, continues to impact the economic activity in Europe. China's economy is set to rebound to 5.2% as mobility and industrial activity pick up after lifting of pandemic restrictions. The contraction in real estate remains a major headwind. Long-term headwinds to growth include a shrinking population and slowing productivity growth.

##### Economic Outlook

The factors that drove inflation in 2022 are already reversing. These include increase in commodity prices, expansive fiscal and monetary policy, and supply chain disruptions. Global inflation is expected to fall from 8.7% in 2022 to 7% in 2023 on the back of lower commodity prices. Inflation has already peaked in the US and Europe in early 2023. It is also declining in other major economies including Japan, China, and India. In the US, economic growth is expected to be slower in 2023 given the tightening monetary and fiscal policy. Contrary to late 2022 estimates, US will avoid a recession due to declining energy prices, strong employment growth, and easing of supply chain stress. Threat of recession continuous to loom over Europe as wages and consumer spending has fallen significantly. Elevated natural gas prices are fuelling inflation and driving down purchasing power. The tightening of monetary policy by ECB and Bank of England along with energy shock resulting from the Russia-Ukraine war will play a key impact on the growth potential.

##### Indian Economy

GDP growth rate in 2023 is expected to be 5.9%, lower than the 2022 growth of 6.8% due to subdued external demand and tightening monetary policy. However, India will remain the fastest growing major economy. Brent oil prices are expected to remain rangebound in 2023, given the continuing war in Ukraine and sanctions imposed in response by the USA and European Union. India meets nearly 80% of its oil needs through imports. High oil prices will also have a trickledown effect on the prices paid by consumers for goods and services. Persistent inflation resulted in RBI to increase the repo rate by 250 basis points throughout FY2022-23.

Further rate hikes are expected in the coming year, despite no rate hike in the April Monetary Policy Committee meeting. Capital investment of close to 3.3% of GDP is expected to crowd-in private investment, strengthen job creation and demand, and raise India's overall growth potential. Focus is expected in the energy sector, with significant capital investments towards energy transition and green hydrogen mission. Overall, the key steel consuming sectors are expected to perform well in FY2023-24 supported by a rise in infrastructure spend by the Government and gradually improving semiconductor supply. High CAPEX allocation in key steel consuming sectors such as railways, national highways and housing is expected to drive steel consumption.

## Steel Industry and Developments

### Global Steel Industry

The recovery momentum of global economy after the pandemic has been affected by persisting inflation, US monetary tightening, China's economic deceleration and continued supply disruptions due to Russia-Ukraine war. High energy prices, rising interest rates, and falling confidence have limited recovery of the steel demand after a dip in 2022.

However, positive factors like China's re-opening, Europe's resilience during the energy crisis and preliminary easing in supply chain bottleneck will lead to a Y-o-Y rise in global steel demand by ~2.3% (~1,822 MnT) in 2023. The Chinese steel demand is expected to grow by ~2% in 2023 after 3.5% decline in 2022. The growth may be attributed to base effect and slight uptick in real estate after decline in 2022 due COVID-19 lockdowns, slump in the property market and continued focus on sustainability. The European steel demand is expected to fall further by 0.4% in 2023 after ~8% decline in 2022. Demand in the USA is expected to grow moderately by ~1% in 2023 backed by relief in infrastructure segment with 2021 Infrastructure Law and Inflation Reduction Act.

The year witnessed very high volatility in raw material, especially coking coal on account of the on-going geopolitical concerns and supply chain bottlenecks impacting steel price across geographies.

### Indian Steel Industry

India remains the 'bright spot' for global steel demand. After growth of 8.2% in 2022, demand is expected to show healthy growth of 7.3% in 2023 backed by consumption led demand. Having managed inflation well, the Indian economy is on a healthy growth track, with a rising share of investment in GDP, appropriate budget allocations and expenditure by the Government in the infrastructure segment. India also faced supply disruptions due to raw material constraints and volatility of prices.

### Outlook for Indian Steel Industry

Indian steel demand is expected to be robust and growing by 6.2% in FY2023-24 supported by strong GDP growth forecast, private consumption, and Government expenditure. India's capital goods sector is also expected to benefit from the momentum in infrastructure and investment in renewable energy. Automotive and consumer durables are expected to maintain healthy growth driven by sustained growth in private consumption. Integrated Steel Players will continue to add capacity in FY2023-24, and utilisation levels are expected to remain healthy at ~80%. Net export position is expected to strengthen with removal of export duty.

## 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. Despite the immediate challenges posed by the COVID-19 pandemic, the Company will continue to leverage opportunities provided by the near-term and long-term macro and business 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. 1736.42 Crores as against Rs. 1,240.22 Crores in the preceding financial year, an increase of 40%. The company incurred a net profit of Rs. 127.96 Crores as against a net profit of Rs. 41.33 Crores in the preceding 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, 2023.

## 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 1030 as on March 31, 2023.

## 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. 38.

## 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: May 30, 2023  
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]**

<b>Requirement of Rule 5(1)</b>		<b>Details</b>	
(i)	The ratio of each Director to the median remuneration of the employees of the Company for the financial year 2022-23	<b>Independent Directors</b> Mr. Ashok Kumar Sharma : Nil Mrs. Priyanka Goenka : Nil Mr. Ajit Kumar Nath* : Nil Mr. Chander Khurana** : Nil <b>Non-Executive Directors</b> Mr. Vikrant Ranjan*** : Nil <b>Executive Directors</b> Mr. Deepak Kumar Agrawal : 1.82 Mr. Ramabatar Agrawal**** : Nil Mr. Sanjay Kumar Chowdhary# : 11.77	
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer (MD), or Manager, if any, in the financial year 2022-23	<b>Independent Directors</b> Mr. Ashok Kumar Sharma : Nil Mrs. Priyanka Goenka : Nil Mr. Ajit Kumar Nath* : Nil Mr. Chander Khurana** : Nil <b>Non-Executive Directors</b> Mr. Vikrant Ranjan*** : Nil <b>Executive Director</b> Mr. Deepak Kumar Agrawal : 42% Mr. Ramabatar Agrawal**** : Nil Mr. Sanjay Kumar Chowdhary# : 13%	
(iii)	The percentage increase in the median remuneration of employees in the financial year	6.54%	
(iv)	The number of permanent employees on the rolls of the Company	1030 permanent employees as on March 31, 2023	
(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	As per Company's increment guidelines.	

percentile increase in the managerial remuneration and justification thereof and 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, 2023 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. January 06, 2023

\*\*Appointed as Independent Director w.e.f. January 06, 2023

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

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

# Resigned w.e.f. February 14, 2023

**For and on behalf of the Board**

Date: May 30, 2023  
Place: Kolkata

**DEEPAK KUMAR AGARWAL**  
**Managing Director**  
**DIN:00646153**

**ASHOK KUMAR SHARMA**  
**Director**  
**DIN:09273096**

### Annexure-3

#### 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	31.03.2023
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. 31,75,19,360/-
Total Assets	Rs. 78,40,93,417/-
Total Liabilities	Rs. 78,40,93,417/-
Investments	Nil
Turnover	Rs. 91,58,61,552/-
Profit before Taxation	Rs. 37,47,59,545/-
Provision for Taxation	NA
Profit after Taxation	Rs. 37,47,59,545/-
Proposed Dividend	NA
Extent of Shareholding (in percentage)	100%

#### **Note:**

1. No Subsidiaries which are yet to commence operations.
2. No Subsidiaries which have been liquidated or sold during the year,

#### **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: May 30, 2023  
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:
<b>NONE</b>					

**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.	76,045.20	28.05.2022	N. A
Bravo Sponge Iron Private Limited	Purchase of Goods		23,651.74		
Eloquent Steel Private Limited	Purchase of Goods		3,382.73		
Shivratri Vyapaar Private Limited	Purchase of Goods		1,620.98		
Shivkripa Commercial Private Limited	Purchase of Goods		1,443.45		
CRS enterprise Private Limited	Purchase of Goods		17.54		
Starcon Steel Trading Private Limited	Purchase of Goods		40.78		
Shakambhari Ispat & Power Limited	Sale of Goods		19,456.95		
Bravo Sponge Iron Private Limited	Sale of Goods		1,532.32		

Eloquent Steel Private Limited	Sale of Goods		5,209.95		
Mr. Deepak Kumar Agarwal	Director Remuneration		34.00		
Mr. Sanjay Kumar Chowdhary	Director Remuneration		5.25		
Mrs. Priyanka Goenka	Director Sitting Fees		2.10		
Mr. Ajit Kumar Nath	Director Sitting Fees		0.51		
Mr. Ashok Kumar Sharma	Director Sitting Fees		1.05		
Eloquent Steel Iron Private Limited	Rent		47.44		
Starcon Steel Trading Private Limited	Rent		28.32		
Shakambhari Ispat & Power Limited	Royalty Paid		5.00		
SPS Metal Cast & Alloys Limited	Unsecured Loan & Advances Given		1,596.34		
Eloquent Steel Iron Private Limited	Unsecured Loan & Advances Given		325.00		
Krishna Sudama Marketing Private Limited	Unsecured Loan & Advances Given		38.50		
Starcon Steel Trading Private Limited	Unsecured Loan & Advances Given		20.78		
SPS Metal Cast & Alloys Limited	Unsecured Loan & Advances Repaid		1,605.70		
Eloquent Steel Iron Private Limited	Unsecured Loan & Advances Repaid		1,190.00		
Krishna Sudama Marketing Private Limited	Unsecured Loan & Advances Repaid		38.50		
Starcon Steel Trading Private Limited	Unsecured Loan & Advances Repaid		174.98		
Matrivani Impex Private Limited	Unsecured Loan & Advances Repaid		50.64		
Shivkripa Commercial Private Limited	Loans Refunded		3,550.00		
Shivratri Vyapaar Private Limited	Loans Refunded		750.00		
Matrivani Impex Private Limited	Interest Income		12.45		
SPS Metal Cast & Alloys Limited	Investment in subsidiary		1,300.00		

Shivkripa Commercial Private Limited	Share Allotted		800.00		
Shivratri Vyapaar Private Limited	Share Allotted		800.00		
Elegant Care Foundation	CSR Contribution		30.80		
Shakambhari Ispat & Power Limited	Royalty Received		5.00		

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

**For and on behalf of the Board**

Date: May 30, 2023  
Place: Kolkata

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

**ASHOK KUMAR SHARMA**  
**DIRECTOR**  
**DIN: 09273096**



## Annexure-5

### 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

Company's philosophy on corporate governance is based on trusteeship, transparency, accountability and ethical corporate citizenship. As a responsible corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

#### 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, 2023, 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 30.07.2022	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
<b>Mr. Deepak Kumar Agarwal</b> (DIN: 00646153) Managing Director - Promoter	9	YES	3	-
<b>Mr. Ramabatar Agarwal*</b> (DIN: 02930064) Executive Director -Promoter	9	YES	-	-
<b>Mrs. Priyanka Goenka</b> (DIN: 08489182) Non-Executive Independent Director	9	YES	5	-
<b>Mr. Chander Khurana**</b> (DIN: 06693635) Non-Executive Independent Director	1	-	2	-
<b>Mr. Ashok Kumar Sharma</b> (DIN: 09273096) Non-Executive Independent Director	9	YES	3	3
<b>Mr. Sanjay Kumar Chowdhary***</b> (DIN: 08402623) Whole-Time Director	8	YES	-	-
<b>Mr. Ajit Kumar Nath****</b> (DIN: 08641824) Non-Executive Independent Director	7	YES	2	-
<b>Mr. Vikrant Ranjan*****</b> (DIN: 06954394) Non-Executive Director	-	-	-	-
<b># Only Audit Committee and Stakeholders Relationship Committee have been considered.</b> <b>*Resignation w.e.f. May 30, 2023</b> <b>**Appointed w.e.f. January 06, 2023</b> <b>*** Resignation w.e.f. January 14, 2023</b> <b>**** Resignation w.e.f. January 06, 2023</b> <b>*****Appointed w.e.f. May 30, 2023</b>				

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	4	-	-
CHANDER KHURANA	1	-	-
VIKRANT RANJAN*	1	-	-

*\*Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose*

Mr. Deepak Kumar Agarwal, Managing Director is related to Mr. Ramabatar Agarwal, Executive Director. There is no inter-se relationship among the other 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 nine Board Meetings were held on May 28, 2022, June 24, 2022, July 25, 2022, August 13, 2022, August 25, 2022, September 21, 2022, November 14, 2022, January 06, 2023 and February 14, 2023.

### 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](http://www.spsgroup.co.in).

### Independent Directors Meeting

During the year, the Independent Directors of the Company met separately on February 14, 2023, 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:

- Experience in and knowledge of the industries in which company operates.
- Behavior 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.
- Financial and Management Skill
- Technical/Professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
- 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	RAMABATAR AGARWAL*	PRIYANKA GOENKA	ASHOK KUMAR SHARMA	CHANDER KHURANA	AJIT KUMAR NATH*	SANJAY KUMAR CHOWDHARY*
Industry knowledge/ experience	✓	✓	✓	✓	✓	✓	✓
Technical skills/ experience	✓	-	-	✓	✓	-	✓
Behavioural competencies/ personal attributes	✓	✓	✓	✓	-	✓	✓
Strategic expertise	✓	✓	✓	-	✓	✓	-
Financial expertise	✓	✓	✓	✓	✓	✓	✓

\*Resigned from the Board of Directors as on date.

During the year review, Mr. Ajit Kumar Nath and Mr. Sanjay Kumar Chowdhary have resigned from the directorship of the Company, effective January 6, 2023, and February 14, 2023, respectively, due to other commitments. They have confirmed that there is no other reason, whether material or otherwise, for their resignations. Consequently, their directorship and committee positions in the Company have been taken into account in this report, where relevant, until January 6, 2023, and February 14, 2023, respectively.

As on the date of this report, 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.

## 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, 2023:

- Mr. Ashok Kumar Sharma - Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Chander Khurana –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, 2023**

During the year under review, Six Audit Committee Meetings were held on May 28, 2022, June 24, 2022, July 5, 2022, August 13, 2022, November 14, 2022, February 14, 2023.

### **Attendance at the Audit Committee Meetings**

Name of the Directors	No. of Meetings Held	No. of Meetings Attended
Mr. Ashok Kumar Sharma	6	6
Mrs. Priyanka Goenka	6	6
Mr. Ajit Kumar Nath*	6	5
Mr. Deepak Kumar Agarwal	6	6
Mr. Chander Khurana**	6	1
* Ceased to be a member with effect from January 06, 2023		
** Appointed as a member with effect from January 06, 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, 2023:

- Mr. Ashok Kumar Sharma- Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Chander Khurana-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:

- 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;
- Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- 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, 2023**

During the year under review, four Nomination & Remuneration Committee Meeting were held on May 28, 2022, June 24, 2022, July 05, 2022 and January 06, 2023.

### **Attendance at the Nomination & Remuneration 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. Ajit Kumar Nath*	4	3
Mr. Deepak Kumar Agarwal**	4	4
Mr. Chander Khurana***	NA	NA
* Ceased to be a member with effect from January 06, 2023		
** Ceased to be a member with effect from January 06, 2023		
*** Appointed as a member with effect from January 06, 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](http://www.spsgroup.in).

Details of remuneration to Directors

Name of the Director	Salary & Perks	Sitting Fees	Total
Deepak Kumar Agarwal	34,00,000	-	34,00,000
Sanjay Kumar Chowdhary	5,25,000	-	5,25,000
Ramabatar Agarwal	-	-	-
Ajit Kumar Nath	-	51,000	51,000
Priyanka Goenka	-	2,10,000	2,10,000
Ashok Kumar Sharma	-	1,05,000	1,05,000
Chander Khurana	-	-	-

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, 2023:

- Mr. Ashok Kumar Sharma- Independent Director- Chairperson
- Mrs. Priyanka Goenka - Independent Director- Member
- Mr. Deepak Kumar Agarwal- Managing Director- Member
- Mr. Chander Khurana-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, 2023

During the year under review, one Stakeholders Relationship Committee Meeting was held on May 28, 2022.

Name of the Director	No. of meetings	
	Held	Attended
Mr. Ashok Kumar Sharma	1	1
Mrs. Priyanka Goenka	1	1
Mr. Ajit Kumar Nath*	1	1
Mr. Deepak Kumar Agarwal	1	1
Mr. Chander Khurana**	NA	NA
* Ceased to be a member with effect from January 06, 2023		
** Appointed as a member with effect from January 06, 2023		

## Compliance Officer

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

## Shareholders' Complaints

During the year ended March 31, 2023, 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. Ajit Kumar Nath*	Member	1	1
4	Mr. Deepak Kumar Agarwal	Member	1	1
5	Mr. Chander Khurana**	Member	NA	NA
* Ceased to be a member with effect from January 06, 2023				
** Appointed as a member with effect from January 06, 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 2022-23, one CSR Committee meetings were held on May 28, 2022.

## GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Whether special resolutions passed
2019-20	Diamond Prestige, Room No. 701, 7 <sup>th</sup> floor, 41A, AJC Bose Road, Kolkata-700017	September 30, 2020	03.00 P.M	Six
2020-21	Diamond Prestige, Room No. 701, 7 <sup>th</sup> floor, 41A, AJC Bose Road, Kolkata-700017	September 30, 2021	10.30 A.M	Three
2021-22	Diamond Prestige, Room No. 701, 7 <sup>th</sup> Floor, 41A, AJC Bose Road, Kolkata-700017	July 30, 2022	10.30 A.M	Eight

No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2023.

## Details of Resolutions passed through Postal Ballot:

During the financial year ended March 31, 2023, 1 (One) Special Resolutions was passed for appointment of Mr. Chander Khurana as an Independent Director of the Company, through Postal Ballot (remote e-Voting) conducted in accordance with Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), each as amended.

The above Special Business as set out in the Postal Ballot Notice dated February 14, 2023 was deemed to be passed on March 30, 2023 (being the last date for remote e-Voting) with requisite majority, the results of which were declared on March 30, 2023.

Mr. Mayank Daga, Practising Company Secretary (Membership No. ACS 41279, CP No.16509), was appointed for the purpose of scrutinizing the process of Postal Ballot (including e-Voting) in a fair and transparent manner. The details of voting results are as follows:

Particulars	Numbers
Votes in favour of the Resolution	68557748
Votes against the Resolution	NIL

Mr. Deepak Kumar Agarwal, Managing Director and Mr. Ashutosh Sharma, Company Secretary were severally authorized by the Board and were responsible for conducting the entire process of Postal Ballot and e-Voting under the provisions of the Act read together with the Rules made thereunder and the Listing Regulations.

The Company had availed the services of National Securities Depository Limited (NSDL) to provide e-Voting facility to its members. The voting rights of the Members were reckoned on the cut-off date, i.e., Friday, February 17, 2023. The Company completed the transmission of the Postal Ballot Notice in terms of the MCA Circulars only by e-mail on Monday, February Tuesday 28, 2023. The Postal Ballot Notice was also placed on the website of the Company, i.e., [www.spsgroup.in](http://www.spsgroup.in) and also on the e-Voting website of NSDL, i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The e-Voting period commenced Wednesday, March 01, 2023 at 9:00 a.m. (IST) and ended on Thursday, March 30, 2023 at 5:00 p.m. (IST). The Members were requested to cast their votes through the remote e-voting not later than 5:00 P.M. (IST) on Thursday, March 30, 2023 to be eligible for being considered. Post the closure of voting at 5:00 P.M. on Thursday, March 30, 2023, the Scrutinizer prepared the Scrutinizer's Report dated March 30, 2023 and submitted the same on March 30, 2023 to Mr. Deepak Kumar Agarwal, Managing Director of the Company who countersigned the same. The Results of voting by Postal Ballot (e-voting) were declared on March 30, 2023.

The Company does not propose to conduct any Special Resolution through Postal Ballot under Section 110 of the Act and Rules framed thereunder on or before the forthcoming AGM.

## 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, 2023 approval were optioned from Audit Committee, Board of Directors and Members at the 40<sup>th</sup> 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, 2023 (both Standalone and Consolidated basis) as included in this Annual Report.
- The appeal which was filed by Mr. Deepak Kumar Agarwal at SAT against SEBI order prohibiting from buying, selling or otherwise dealing in securities, directly or indirectly for a period of 5 years from order dated 03-09-2020 on account of violation of regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market), Regulations, 2003 has been disposed of by the Hon'ble SAT vide its order dated 29.04.2022 and the restriction has been uplifted. The Hon'ble SAT has referred the matter back to WTM for its consideration.
- 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.
- 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.

f) **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'.

- g) 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](http://www.spsgroup.co.in).
- h) During the financial year ended March 31, 2023 the Company did not engage in commodity hedging activities.
- i) During the financial year ended March 31, 2023, the Company raised fund through preferential issue and allotment of 3,05,00,000 equity shares of the Company of the face value of Rs. 10 each, at a price of Rs. 40/- (including a premium of Rs. 30/- per equity shares) aggregated to Rs. 1,22,00,00,000/-, on preferential basis. Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A) of the Listing Regulations are given below:

**Objects for which funds have been raised and where there has been a deviation, in the following table**

Object of the Issue as per Annual General Meeting Notice	Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation /Variation for the quarter according to applicable object
To meet general business requirements addressing Working Capital needs as well as expansion of Business activities.	Rs. 1,22,00,00,000/-	Not Applicable	Rs. 1,22,00,00,000/-	Nil

- j) During the financial year 2022-23, Board had accepted all the recommendation of committees of the Board.
- k) 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
- l) **Fee to Statutory Auditors:** During the year, an amount of Rs. 6,50,000/- (Rupees Six Lakhs Fifty 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

- Quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are approved by the Board.
- Financial results are normally published in the Echo of India in English language and in Arthik Lipi in Bengali language.
- Financial results of the company are displayed on its website [www.spsgroup.in](http://www.spsgroup.in).
- No presentations were made to institutional investors or analysts.

## GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting:  
Date and time  
Venue  
As per the Annual General Meeting Notice
- Financial Calendar for the year 2023-24:  
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
- Book Closure Date:  
As provided in Annual General Meeting Notice
- Dividend Payment Date:  
Not Applicable
- Listing on Stock Exchange:  
The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata-700001
- 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, 2023:

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
<b>Total</b>	<b>20</b>	<b>100.00</b>	<b>8,05,00,000</b>	<b>100.00</b>

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, 2023, 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](mailto: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](mailto:nichetechpl@nichetechpl.com)

**For and on behalf of the Board**

Date: May 30, 2023  
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](http://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 31<sup>st</sup> March, 2023, 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	SANJAY KUMAR CHOWDHARY	08402623	11/04/2019	14/02/2023
4	PRIYANKA GOENKA	08489182	20/06/2019	-
5	AJIT KUMAR NATH	08641824	27/12/2019	06/01/2023
6	ASHOK KUMAR SHARMA	09273096	13/08/2021	-
7	CHANDER KHURANA	06693635	06/01/2023	-

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 Mayank Daga**  
**Company Secretary in Practice**  
Membership No. ACS 41279  
CP. No. 16509  
UDIN: A041279E000425806

Place: Kolkata  
Date: May 30, 2023

**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, 2023.

Date: May 30, 2023  
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, 2023.**

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, 2023 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, 2023.

On the basis of records maintained by the Company, I state that, as on March 31, 2023, 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.

**Mayank Daga**  
**Company Secretary in Practice**  
Membership No. ACS 41279  
CP. No. 16509  
UDIN: A041279E000425916

Date: May 30, 2023  
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, 2023 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, 2023, 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: May 30, 2023  
Place: Kolkata

**[Deepak Kumar Agarwal]**  
**Managing Director**  
**DIN:00646153**

**[Binod Kumar Agarwal]**  
**Chief Financial Officer**



**Form No.MR-3**

**Secretarial Audit Report**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[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

I 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 ('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.

I 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, 2023 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) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.

1.	Securities and Exchange Board of India:  Against: - Mr. Deepak Kumar Agarwal DIN:00646153 (Managing Director)	Violated of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003	Securities And Exchange Board of India vide its Order dated 03-09-2020, No: WTM/MB/IVD/ID4/8865/2020-2, Under Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992 has restrained Mr Deepak Kumar Agarwal PAN (ABSPA2276K) from accessing the securities market i.e. prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the same period, from the date of this order for a period 5 years.	The Securities and Exchange Board of India passed Corrigendum on February, 08 2023 read with order dated January 27, 2023 bearing reference no. QJA/AA/IVD/ID4/23144/2022-23 (hereinafter referred to as "Order") in the matter of Sulabh Engineers & Services Limited.  Where, the Chief General Manager order that the charge of violation of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of PFUTP Regulations against the Notice, Mr. Deepak Kumar Agarwal is not established. Therefore order that the name of Mr Deepak Kumar Agarwal stand deleted.
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports: **Not Applicable**

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

- Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Stock Exchanges.

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

#### **I further report that:**

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

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

- i. Appointment of Mr. Chander Khurana (DIN: 06693635) as additional Non-Executive Independent Director of the Company w.e.f. 06-01-2023
- ii. Change in the designation of Mr. Chander Khurana (DIN: 06693635) from Additional Director to Independent Director of the Company w.e.f. 30-03-2023
- iii. Resignation of Mr. Ajit Kumar Nath (DIN: 08641824) as Director of the Company w.e.f. 06-01-2023
- iv. Resignation of Mr. Sanjay Kumar Choudhury (DIN: 08402623) as Director of the Company w.e.f. 14-02-2023

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.

**I further report that during the period under review: -**

- a) The Authorised Share Capital of the Company has been increased from Rs. 50,00,00,000 /- (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore Only) Equity Shares of Rs. 10/- (Rupees Ten) to Rs. 82,50,00,000 /- (Rupees Eighty-Two Crore Fifty Lac only) divided into 8,25,00,000 (Eight Crore Twenty-Five Lac Only) Equity Shares of Rs. 10/- (Rupees Ten) each, by creation of additional 3,25,00,000 (Three Crore Twenty-Five Lac Only) Equity Shares of Rs. 10/- ranking pari passu in all respect with the existing Equity Shares of the Company, at the 40th Annual General Meeting, dated 30th day of July, 2022.
- b) The Company has increased its paid-up share capital dated 25-08-2022 from 50,000,000 number of Equity shares to 80,500,000 number of Equity shares pursuant to Private Placement / Preferential allotment approval received from the shareholders of the Company at the 40th Annual General Meeting dated 30th day of July, 2022.

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

Place: Kolkata  
Date: 30.05.2023  
UDIN: A041279E000425718

**Mayank Daga**  
Company Secretary in Practice  
Membership No. ACS 41279  
C.P. No. 16509

**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.

Place: Kolkata  
Date: 30.05.2023

**Mayank Daga**  
Company Secretary in Practice  
Membership No. ACS 41279  
C.P. No. 16509

## Annexure 9

### Annual Report on CSR Activities to be Included in the Board's Report for Financial Year ended 31<sup>st</sup> March, 2023

#### 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. Ajit Kumar Nath*	Member	1	1
5	Mr. Chander Khurana**	Member	1	NA

#### 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](http://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	2021-22	6,38,271.31	6,38,271.31
2	2020-21	NA	NA
3	2019-20	NA	NA
	<b>Total</b>	<b>6,38,271.31</b>	<b>6,38,271.31</b>

#### 6. Average net profit of the company as per section 135(5): Rs. 2,935.08 Lacs

(Amount in lakhs)

Particulars	2021-22	2020-21	2019-20
Profit/(loss) before exceptional items and tax	4133.03	3753.84	918.37

6.1. Two percent of average net profit of the company as per section 135(5): Rs. 58,70,160.00/-



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. 6,38,271.31/-

6.4. Total CSR obligation for the financial year (6.1+6.2-6.3): Rs. 52,31,888.69/-

**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.
67,77,006/-	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"> <li>Poverty relief</li> <li>Promoting education</li> <li>Safety awareness</li> <li>Rural development</li> <li>Distribution of ration among poor people</li> </ul>	Clause (i) Eradicating hunger, poverty and promoting health care. (ii) Promoting education (x) Rural development projects	Yes	West Bengal,	Kolkata/ Durgapur/ Purulia	30,80,000/-	No	CSR00 024108	Elegant Care Foundation (Formally Known as SHREE SHYAM SEVA SANSTHAN)
2.	Distribution of Kit bags & ball pens to underprivileged children	Clause (i) Eradicating hunger, poverty and promoting health care including preventive health care and sanitation.	Yes	West Bengal,	Durgapur/ Purulia	26,01,500/-	Direct	NA	NA

3.	Distribution of garments, face mask & umbrella among poor people	Clause (i) Eradicating hunger, poverty and malnutrition ["promoting health care including preventive health care"] and sanitation.	Yes	West Bengal, Kolkata/ Durgapur/ Purulia	9,85,506/-	Direct	NA	NA
4.	Promoting Paralympic Sports	Clause (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Yes	West Bengal, Kolkata	1,00,000/-	Direct	NA	NA
5.	Supporting Socially and Economically backed groups.	Clause (iii) Reducing inequalities faced by socially & economically backed groups.	Yes	West Bengal, Kolkata/ Durgapur/ Purulia	10,000/-	Direct	NA	NA
					67,77,006/-			

7.4. Amount spent in Administrative Overheads- Nil

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. 67,77,006.00/-

7.7. Excess amount for set off, if any: Rs. 15,45,117.31/-

Sl. No.	Particular	Amount (in Rs)
(i)	Total CSR obligation for the financial year	52,31,888.69/-
(ii)	Total amount spent for the Financial Year	67,77,006.00/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15,45,117.31/-
(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)]	15,45,117.31/-

## 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: May 30, 2023  
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:**

		(Rs in Lacs)
Foreign Exchange earnings and outgo	2022-23	2021-22
Earning	Nil	Nil
Outgo	134.50	41.66

For and on behalf of the Board

Date: May 30, 2023  
Place: Kolkata

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

**ASHOK KUMAR SHARMA**  
**DIRECTOR**  
**DIN: 09273096**

## **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 31<sup>st</sup> March, 2023, 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, and Notes to the financial statement including a summary of the Significant 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 31<sup>st</sup> March, 2023, 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.

##### **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.

Expenditure on Capital Projects	How the matter was addressed in our audit
<p>The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipments and capital work-in-progress as shown in note 3A &amp; 3C respectively in the financial statements. We consider capital expenditure as a key audit matter due to :</p> <ul style="list-style-type: none"> <li>• Significance of amount incurred on such items during the year ended March 31, 2023.</li> <li>• Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.</li> <li>• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the companies capitalisation policy and assessed for compliance with the relevant accounting standards.</li> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related with capital expenditure and capitalisation of assets.</li> <li>• 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.</li> </ul>

### 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.

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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

## **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.
- 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, 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 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;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2023 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 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 28 (b) 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 ("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, hence the compliance of Sec 123 of The Companies Act, 2013 is not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Sunil Singhi)  
Partner  
Membership No.:060854  
UDIN:23060854BGVPSB9784

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.

## **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, 2023.**

- (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) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in financial statement are held in the name of 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, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us, 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.

- (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	Guarantees	Securities	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year:				
Subsidiary	-	-	1596.34	-
Others	-	-	384.28	-
Balance outstanding as at balance sheet date in respect of above cases:				
Subsidiary	-	-	(5.42)	-
Others	-	-	114.81	-

(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 and advances in nature of loans provided 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	All parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	1980.62
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	-	-	1980.62
Percentage of loans/ advances in nature of loans to the total loans	-	-	100%

- (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 sections are not applicable to 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. Attention is drawn to Note 36 of the Financial Statement in relation to non-receipt of registration for Provident Fund and ESI and its related impact.
- (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.
- (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 made preferential allotment of equity shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (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.
- (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.
- (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. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

(Sunil Singhi)  
Partner  
Membership No.:060854  
UDIN: 23060854BGVPSB9784

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.

## **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, 2023.

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 31<sup>st</sup> March 2023 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.

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 reporting.

## **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.

## **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 31<sup>st</sup> March 2023, 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

(Sunil Singhi)  
Partner  
Membership No.:060854  
UDIN: 23060854BGVPSB9784

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.

	Note	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3A	36,187.91	17,779.71
(b) Right of use assets	3B	2,598.84	2,859.92
(c) Capital work-in-progress	3C	3,495.74	7,120.10
(d) Other Intangible Assets	3D	22.99	28.04
(e) Financial Assets			
(i) Investments	4(a)	1,397.45	0.03
(ii) Other Financial Assets	4(b)	771.26	6,965.78
(f) Deferred Tax assets (net)	5	1,509.51	-
(g) Other non-current assets	6(a)	786.11	4,958.79
<b>Total Non-current assets</b>		<b>46,769.81</b>	<b>39,712.37</b>
<b>(2) Current assets</b>			
(a) Inventories	7	19,650.54	15,224.13
(b) Financial assets			
(i) Trade receivables	8	14,459.11	18,504.56
(ii) Cash and cash equivalents	9	2,525.93	52.10
(iii) Other Financial Assets	4(c)	114.81	1,589.98
(c) Current tax assets (net)	10	330.35	314.97
(d) Other current assets	6(b)	12,091.43	8,464.55
<b>Total Current assets</b>		<b>49,172.17</b>	<b>44,150.29</b>
<b>TOTAL ASSETS</b>		<b>95,941.98</b>	<b>83,862.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	8,050.00	5,000.00
(b) Other equity	12	38,257.81	16,311.79
<b>Total Equity</b>		<b>46,307.81</b>	<b>21,311.79</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13(a)	22,029.24	32,289.48
(b) Provisions	14(a)	324.25	260.34
<b>Total Non-current liabilities</b>		<b>22,353.49</b>	<b>32,549.82</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13(b)	10,961.52	17,190.60
(ii) Trade payables	15		
- total outstanding dues of micro & small enterprises; and		76.95	711.25
- total outstanding dues of creditors other than micro and small enterprises		7,982.98	5,899.73
(b) Other current liabilities	16	5,725.04	2,782.69
(c) Provisions	14(b)	2,534.19	3,416.79
<b>Total Current liabilities</b>		<b>27,280.68</b>	<b>30,001.06</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95,941.98</b>	<b>83,862.66</b>

Company Information and Significant Accounting Policies 1 & 2  
The accompanying Notes form part of the Standalone Financial Statements

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

**SPS STEELS ROLLING MILLS LIMITED**  
**Standalone Statement of Profit and Loss for the year ended 31st March, 2023**

Amount in Rs. Lakhs

	Note	Year ended 31.03.2023	Year ended 31.03.2022
<b>I</b> Revenue from operations	17	1,73,641.72	1,24,021.58
<b>II</b> Other income	18	3,428.92	222.67
<b>III Total income (I + II)</b>		<b>1,77,070.64</b>	<b>1,24,244.25</b>
<b>IV Expenses</b>			
Cost of materials consumed	19	88,148.87	55,354.61
Purchase of stock-in-trade	20	40,793.25	44,473.64
Changes in inventories of finished goods and stock-in-trade	21	(3,676.33)	(2,712.82)
Employee benefits expense	22	2,836.33	1,873.75
Finance costs	23	3,192.89	2,709.77
Depreciation and amortisation expense	24	2,644.01	1,980.06
Other expenses	25	31,833.23	16,415.39
<b>Total expenses (IV)</b>		<b>1,65,772.25</b>	<b>1,20,094.40</b>
<b>V Profit before tax (III- IV)</b>		<b>11,298.39</b>	<b>4,149.84</b>
<b>VI Tax :</b>			
Current tax		-	-
Deferred tax	26	(1,509.51)	-
<b>VII Profit for the year (V-VI)</b>		<b>12,807.90</b>	<b>4,149.84</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit</b>			
(a) Remeasurements of Defined Benefit Plan		(9.30)	(16.84)
(b) Fair value changes of investments in mutual fund		(2.58)	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(11.88)</b>	<b>(16.84)</b>
<b>B. Items that will be reclassified to profit or</b>			
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>
<b>VIII Other comprehensive income</b>		<b>(11.88)</b>	<b>(16.84)</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>12,796.03</b>	<b>4,133.00</b>
<b>X Earnings per equity share</b>	27		
[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
- Basic		<b>18.75</b>	<b>8.30</b>
- Diluted		<b>18.75</b>	<b>8.30</b>

Company Information and Significant Accounting Policies 1 & 2  
The accompanying Notes form part of the Standalone Financial Statements

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

	Year ended 31st March 2023	Year ended 31st March 2022
<b>A Cash flow from operating activities</b>		
<b>Profit Before Tax</b>	<b>11,298.39</b>	<b>4,149.84</b>
<b>Adjustment for :-</b>		
Interest income	(546.06)	(28.43)
Depreciation and amortisation expense	2,644.01	1,980.06
Finance costs	3,192.89	2,424.12
Allowance for doubtful receivables	4,255.32	591.78
Sundry balance written off	122.36	-
Loss on sale of property, plant and equipments	58.26	54.36
Liabilities written back	(2,799.20)	-
	<b>6,927.58</b>	<b>5,021.89</b>
<b>Operating profit before working capital changes</b>	<b>18,225.97</b>	<b>9,171.73</b>
<b>Adjustment For :-</b>		
Decrease in Trade receivables, loans, advances and other assets	3,053.40	(9,020.27)
Increase in Inventories	(4,426.41)	(8,289.48)
Increase in Trade payables, other liabilities and provisions	6,362.52	3,253.33
<b>Cash generated from operations</b>	<b>23,215.49</b>	<b>(4,884.71)</b>
Income tax paid	(15.37)	(112.92)
<b>Net Cash from operating activities</b>	<b>23,200.11</b>	<b>(4,997.62)</b>
<b>B Cash flow from investing activities</b>		
Acquisition of property, plant and equipments & Expenditure on Capital Work-in-Progress	(17,355.24)	(9,744.34)
Proceeds from sale of property, plant and equipments	135.24	43.99
Investment in Term deposit	(1,400.00)	-
(Investment)/Redemption of fixed deposits	4,829.86	(4,596.90)
Interest received	546.06	28.43
<b>Net cash used in investing activities</b>	<b>(13,244.08)</b>	<b>(14,268.82)</b>
<b>C Cash flow from financing activities</b>		
Proceeds /(Re-payment) of borrowings	(16,489.32)	21,706.61
Proceeds from issue of Equity share capital (including Securities Premium)	12,200.00	-
Interest paid	(3,192.89)	(2,424.12)
<b>Net cash used in financing activities</b>	<b>(7,482.20)</b>	<b>19,282.49</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>2,473.83</b>	<b>16.05</b>
Cash & Cash equivalents at beginning of the year	<b>52.10</b>	<b>36.05</b>
Cash & Cash equivalents at closing of the year	<b>2,525.93</b>	<b>52.10</b>

**Note :**

- Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.
- Figures in (-) indicate cash outflow.

Company Information and Significant Accounting Policies 1 & 2  
The accompanying Notes form part of the Standalone Financial Statements

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary



**A. Equity share capital**

**1) Current Reporting Period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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
5,000.00	-	-	3,050.00	8,050.00

**2) Previous Reporting Period**

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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	-	-	-	5,000.00

**B. Other equity**

Particulars	Reserves and surplus				Items of Other Comprehensive Income	Total
	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings		
<b>Balance as at 1 April 2021</b>	-	48,077.14	10,381.22	(46,301.50)	28.02	12,184.87
<b>Total comprehensive income for the year ended 31 March 2022</b>						
Transferred to Business Re-organisation	-	(6.09)	-	-	-	(6.09)
Profit or Loss for the year	-	-	-	4,149.84	-	4,149.84
Additional Depreciation due to Revaluation	-	-	(1,534.54)	1,534.54	-	-
Remeasurements of Defined Benefit Plan	-	-	-	-	(16.84)	(16.84)
<b>Total comprehensive income</b>	-	(6.09)	(1,534.54)	5,684.38	(16.84)	4,126.91
<b>Balance as at 31 March 2022</b>	-	48,071.04	8,846.68	(40,617.12)	11.18	16,311.79
<b>Total comprehensive income for the year ended 31 March 2022</b>						
Profit or Loss for the year	-	-	-	12,807.90	-	12,807.90
Additional Depreciation due to Revaluation	-	-	(1,409.06)	1,409.06	-	-
Addition on allotment	9,150.00	-	-	-	-	9,150.00
Remeasurements of Defined Benefit Plan	-	-	-	-	(9.30)	-9.30
Fair value changes of investments in mutual	-	-	-	-	(2.58)	(2.58)
<b>Total comprehensive income</b>	9,150.00	-	(1,409.06)	14,216.96	(11.88)	21,946.03
<b>Balance as at 31st March 2023</b>	9,150.00	48,071.04	7,437.62	(26,400.16)	(0.69)	38,257.81

Company Information and Significant Accounting Policies 1 & 2  
The accompanying Notes form part of the Standalone Financial Statements

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

(Sunil Singhi)  
Partner  
Membership No. 060854

**For and on behalf of the Board**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

Place: Kolkata  
Date: 30.05.2023

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

## SPS STEELS ROLLING MILLS LIMITED

### Notes to the Standalone Financial Statements for the year ended 31 March 2023

#### 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. Significant 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 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:

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.

#### **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.

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**

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 significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant 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 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.

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 insignificant 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 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 significant.

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**

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**

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 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 significant 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 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 recognized 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 recognized 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 organization 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.

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the standalone financial statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**3A Property, Plant and Equipment**

	Freehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total
<b>A. Gross carrying amount</b>							
As at April 1, 2021	3.76	7,280.33	12,009.63	62.74	67.22	14.18	19,437.87
Additions	524.95	759.16	3,725.64	22.86	-	1.02	5,033.64
Deletions / Discard	-	(39.23)	(90.30)	(6.06)	-	-	(135.60)
<b>As at March 31, 2022</b>	<b>528.71</b>	<b>8,000.26</b>	<b>15,644.97</b>	<b>79.54</b>	<b>67.22</b>	<b>15.20</b>	<b>24,335.91</b>
Additions	83.77	4,451.38	16,462.94	-	18.58	5.93	21,022.60
Deletions / Discard	-	(92.20)	(62.26)	-	-	-	(154.46)
<b>As at March 31, 2023</b>	<b>612.48</b>	<b>12,359.44</b>	<b>32,045.65</b>	<b>79.54</b>	<b>85.80</b>	<b>21.13</b>	<b>45,204.05</b>
<b>B. Depreciation</b>							
Upto March 31, 2021	-	1,412.05	3,223.99	53.41	42.77	7.86	4,740.07
For the year	-	549.80	1,297.98	0.01	3.94	1.64	1,853.38
Deletions / Discard	-	(11.51)	(20.34)	(5.39)	-	-	(37.24)
<b>As at March 31, 2022</b>	<b>-</b>	<b>1,950.34</b>	<b>4,501.63</b>	<b>48.02</b>	<b>46.71</b>	<b>9.51</b>	<b>6,556.21</b>
For the year	-	639.44	1,847.09	2.71	3.77	5.10	2,498.12
Deletions / Discard	-	(32.15)	(6.05)	-	-	-	(38.19)
<b>As at March 31, 2023</b>	<b>-</b>	<b>2,557.63</b>	<b>6,342.67</b>	<b>50.73</b>	<b>50.48</b>	<b>14.61</b>	<b>9,016.14</b>
<b>C. Net Carrying Amount</b>							
As at March 31, 2022	<b>528.71</b>	<b>6,049.92</b>	<b>11,143.33</b>	<b>31.52</b>	<b>20.51</b>	<b>5.70</b>	<b>17,779.71</b>
As at March 31, 2023	<b>612.48</b>	<b>9,801.82</b>	<b>25,702.98</b>	<b>28.81</b>	<b>35.32</b>	<b>6.52</b>	<b>36,187.91</b>

**Note 1:** 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 13369.00 lakhs. Depreciation on the enhanced amount on revaluation amounting to Rs 1409.06 lakhs (PY Rs 1534.54 lakhs) has been transferred from revaluation reserve to Retained Earnings.

**Note 2:** For details of assets pledged as security ref. Note 13.

	As at 31.03.2023	As at 31.03.2022
<b>3B Right of Use Assets (Land)</b>		
<b>a) Gross carrying amount (at cost or deemed cost)</b>		
Balance at the beginning of the year	3,290.04	2,978.04
Additions during the year	-	312.00
Adjustment made during the year*	(142.01)	-
Balance at the end of the year	<b>3,148.03</b>	<b>3,290.04</b>
<b>b) Depreciation</b>		
Balance at the beginning of the year	430.12	304.06
For the year	140.84	126.05
Adjustment made during the year	(21.77)	-
Balance at the end of the year	<b>549.18</b>	<b>430.12</b>
<b>Net Carrying Amount (a) - (b)</b>	<b>2,598.84</b>	<b>2,859.92</b>

**Note 1:** The company has recognised ROU Assets as Lessee. However, since the entire consideration had 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, Assansol 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 year.

<b>3C Capital work-in-progress (Tangible Asset)</b>		
Balance as at the beginning of the year	7,120.10	2,747.97
Additions during the year	17,284.74	8,857.96
Transferred to Property, Plant & Equipment (refer Note 1 & 2 below)	(20,909.10)	(4,485.83)
Balance at the end of the year	<b>3,495.74</b>	<b>7,120.10</b>

**Note: 1) The following projects commenced commercial production during the year**

Expansion of Direct Reduced Iron Project at Unit -2 at Purulia for 4 x 100 TPD	7,845.09
Captive Power Plant at Unit-2 at Purulia for 10 MW	4,600.46
Ferro Alloys Plant at Unit-2 at Purulia 1 X 9 MVA	2,251.40
Expansion of Furnace at Unit -1 at Durgapur for 20 T	1,351.82
Expansion of Rolling Mill at Unit -1 at Durgapur From 550 TPD to 650 TPD	2,982.48
Expansion of 33.11 KVA at Unit -1 at Durgapur	95.00

**Other Capitalisations during the year**

Other Shed & structures at Unit -2 at Purulia	218.09
Administrative & Factory Buildings at Unit 2 at Purulia	767.81
Administrative & Factory Buildings at Unit 1 at Durgapur	796.95

**Total**

**20,909.10**

**2) Pre Operative expenses (included in Capital work-in-progress)**

Balance as at the beginning of the year	262.93
Additions during the year	725.23
Transferred to Property, Plant & Equipment	912.54
Balance at the end of the year	<b>75.62</b>

**3) Capital Work in Progress ageing schedule**

As on 31.03.2023	< 1 Year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	3,304.36	191.38	-	-	<b>3,495.74</b>
As on 31.03.2022	< 1 Year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	7,120.10	-	-	-	<b>7,120.10</b>



	As at 31.03.2023	As at 31.03.2022
<b>3D Other Intangible Assets</b>		
<b>Computer Software</b>		
<b>a) Gross carrying amount</b>		
Balance as at the beginning of the year	38.02	11.44
Additions	-	26.58
Deletions / Discard	-	-
Balance at the end of the year	<b>38.02</b>	<b>38.02</b>
<b>b) Depreciation</b>		
Balance as at the beginning of the year	9.98	9.35
For the year	5.05	0.63
Deletions / Discard	-	-
Balance at the end of the year	<b>15.02</b>	<b>9.98</b>
<b>Net Carrying Amount (a) - (b)</b>	<b>22.99</b>	<b>28.04</b>
<b>4 Financial assets</b>		
<b>-Non-current Investments</b>		
<b>4(a) (i) Investment in equity instruments</b>		
<b>Investment in Subsidiary- At Cost</b>		
SPS Metal Cast & Alloys Ltd (1,30,00,000 Equity Shares of Rs. 10/- each)	1,300.00	-
<b>Unquoted, other than trade-At Cost</b>		
Shivalik Solid Waste Management Ltd (250 Equity Shares of Rs. 10/- each)	0.03	0.03
<b>(ii) Investment in Unquoted Mutual Fund- (at fair value through other comprehensive income)</b>		
Motilal Oswal India Excellence Fund - Mid to Mega - Series II	97.42	-
<b>Total</b>	<b>1,397.45</b>	<b>0.03</b>
Aggregate carrying value of unquoted investments	1,397.45	0.03
<b>4(b) Other Financial Assets ( Non Current)</b>		
Security deposit	146.43	211.09
Share Application pending allotment- SPS Metal Cast & Alloys Ltd. (refer Note below)	-	1,300.00
Deposits with Banks*	624.83	5,454.69
*lien with Banks against Non-fund based credit limits Rs 624.83 lakhs (Previous Year - Rs 546.67 lakhs)		
<b>Total</b>	<b>771.26</b>	<b>6,965.78</b>
<b>Note:</b> The Company was allotted 130 lakh Equity Shares of SPS Metal Cast & Alloys Limited (SMCAL) of Rs 10/- each amounting to Rs.1300 lakh on 4th May, 2022 pursuant to the Order of Honourable National Company Law Tribunal, Kolkata, dated 25th November, 2021. As a result of such allotment of equity shares, SMCAL became the wholly owned subsidiary of the Company w.e.f. that date.		
<b>4(c) Other Financial Assets ( Current)</b>		
Loans to bodies corporate:		
- Related Party (Ref Note- 31)	114.81	1,176.14
- Others	-	413.84
<b>Total</b>	<b>114.81</b>	<b>1,589.98</b>
Loan receivables - Considered Good - Secured:	-	-
Loan receivables - Considered Good - Unsecured:	114.81	1,589.98
Loan receivables which have significant increase in credit risk:	-	-
Loan receivables - Credit Impaired:	-	-
<b>5 Deferred Tax Asset (Net)</b>		
(Refer note 26)		
Deferred tax Asset	4,988.90	-
Deferred Tax Liability	(3,479.39)	-
	<b>1,509.51</b>	<b>-</b>

	As at 31.03.2023	As at 31.03.2022				
<b>6 Other assets</b>						
<b>6(a) Other Non-Current Assets</b>						
Capital advances	786.11	4,958.79				
<b>Total</b>	<b>786.11</b>	<b>4,958.79</b>				
<b>6(b) Other Current Assets</b>						
Advance for supplies	11,994.48	7,876.39				
Advance to employees	18.88	8.51				
Balances with government authorities	45.37	566.70				
Pre-paid expenses	32.70	12.97				
<b>Total</b>	<b>12,091.43</b>	<b>8,464.55</b>				
<b>7 Inventories</b>						
Raw materials	7,146.10	5,079.55				
Finished goods	8,817.92	4,574.03				
Stock in trade	526.72	1,094.29				
Stores and spares	3,159.80	4,476.26				
<b>Total</b>	<b>19,650.54</b>	<b>15,224.13</b>				
<b>Note:</b> The inventories has been stated as per valuation policies as given in Note 2(n).						
<b>8 Trade Receivables</b>						
Unsecured, considered good	14,459.11	14,366.41				
Credit impaired	10,692.18	10,575.00				
Less: Allowance for doubtful receivables	10,692.18	6,436.86				
	0.00	4,138.14				
<b>Total</b>	<b>14,459.11</b>	<b>18,504.56</b>				
<b>Trade Receivables ageing schedule as on 31.03.2023</b>						
Particulars	Outstanding for following periods from due date 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 which have significant increase in credit risk	-	-	-	-	10,692.18	10,692.18
						25,151.29
Less: Allowance for doubtful receivables						10,692.18
<b>Total</b>						<b>14,459.12</b>
<b>Trade Receivables ageing schedule as on 31.03.2022</b>						
Particulars	Outstanding for following periods from due date 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	10,351.30	160.42	3,854.69	-	-	14,366.41
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	10,575.00	10,575.00
						24,941.42
Less: Allowance for doubtful receivables						6,436.86
<b>Total</b>						<b>18,504.56</b>
<b>9 Cash and cash equivalents</b>						
Balances with banks						
- Current accounts	4.21					42.44
- Trust and Retention Accounts	580.01					-
- Cash Credit (favourable balance)	1,940.52					-
Cash in hand	1.19					9.66
<b>Total</b>	<b>2,525.93</b>					<b>52.10</b>
<b>10 Current tax assets (net)</b>						
Income tax (net of provisions- Nil)	330.35					314.97
<b>Total</b>	<b>330.35</b>					<b>314.97</b>

	As at 31.03.2023	As at 31.03.2022
<b>11 Equity share capital</b>		
<b>Authorised</b>		
8,25,00,000 (Previous Year 5,00,00,000) Equity Shares of Rs. 10/- each	8,250.00	5,000.00
	<b>8,250.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
805,00,000 ( Previous Year 5,00,00,000) Equity Shares of Rs.10/- each fully Paid up	8,050.00	5,000.00
	<b>8,050.00</b>	<b>5,000.00</b>

**A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period**

	As at 31st March 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Add : Issued during the year	3,05,00,000	3,050.00	-	-
Balance as at the end of the year	<b>8,05,00,000</b>	<b>8,050.00</b>	<b>5,00,00,000</b>	<b>5,000.00</b>

**B. Rights, preferences and restrictions attaching to equity shares**

Equity shares of the company are having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share and carry a right to dividend. 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 in proportion to their shareholding.

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

Promoter's Name	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
1) Krishna Sudama Marketing Private Limited	30,00,000	3.73%	30,00,000	6.00%	-2.27%
2) Swapno Marketing Private Limited	80,00,000	9.94%	80,00,000	16.00%	-6.06%
3) Aryavrat Plot Managers Private Limited	91,91,406	11.42%	91,91,406	18.38%	-6.96%
4) BMS Sales Private Limited	72,91,342	9.06%	72,91,342	14.58%	-5.52%
5) Shakambari Tie-Up Private Limited	99,75,000	12.39%	99,75,000	19.95%	-7.56%
6) Shivratni Vyapaar Pvt.Ltd.	20,00,000	2.48%	-	0.00%	100.00%
7) Shivkripa Commercial Pvt. Ltd.	20,00,000	2.48%	-	0.00%	100.00%

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

	As at 31 March 2023		As at 31 March 2022	
Name of the Shareholder	Number	% of total shares in the class	Number	% of total shares in the class
Shakambari Tie-Up Private Limited	99,75,000	12.39%	99,75,000	19.95%
Krishna Sudama Marketing Private Limited	30,00,000	3.73%	30,00,000	6.00%
Swapno Marketing Private Limited	80,00,000	9.94%	80,00,000	16.00%
Aryavrat Plot Managers Private Limited	91,91,406	11.42%	91,91,406	18.38%
BMS Sales Private Limited	72,91,342	9.06%	72,91,342	14.58%
Cancon Agencies Private Limited	1,06,00,000	13.17%	-	-
Expeditors Distributors Private Limited	1,00,00,000	12.42%	-	-
Shree Sudharshan Castings Private Limited	65,00,000	8.07%	-	-
Indian Overseas Bank Limited	26,50,456	3.29%	26,50,456	5.30%
Indian Bank Limited	26,79,691	3.33%	26,79,691	5.36%

**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.

12 Other Equity

Particulars	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained Earning	Equity instruments through other comprehensive income	Total
As on 1st April 2021	-	48,077.14	10,381.22	(46,301.50)	28.02	12,184.87
Transferred to Business Re-organisation Reserve	-	(6.09)	-	-	-	(6.09)
Adjustment on account of additional depreciation due to revaluation	-	-	(1,534.54)	1,534.54	-	-
Profit or Loss for the year	-	-	-	4,149.84	-	4,149.84
Remeasurements of Defined Benefit Plan	-	-	-	-	(16.84)	(16.84)
<b>Balance as on 1st April 2022</b>	<b>-</b>	<b>48,071.04</b>	<b>8,846.68</b>	<b>(40,617.12)</b>	<b>11.18</b>	<b>16,311.79</b>
Adjustment on account of additional depreciation due to revaluation*	-	-	(1,409.06)	1,409.06	-	-
Profit or Loss for the year	-	-	-	12,807.90	-	12,807.90
Remeasurements of Defined Benefit Plan	-	-	-	-	-	-
Allotment of Equity share	9,150.00	-	-	-	-	9,150.00
Remeasurements of Defined Benefit Plan	-	-	-	-	(9.30)	(9.30)
Fair value changes of investments in mutual fund	-	-	-	-	(2.58)	(2.58)
<b>Balance as on 31st March 2023</b>	<b>9,150.00</b>	<b>48,071.04</b>	<b>7,437.62</b>	<b>(26,400.16)</b>	<b>(0.69)</b>	<b>38,257.81</b>

**\*Note:** 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 13369.00 lakhs. Depreciation on the enhanced amount on revaluation amounting to Rs 1409.06 lakhs (PY Rs 1534.54 lakhs) has been transferred from revaluation reserve to Retained Earnings.

**B. Nature and purpose of reserves**

- 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:** Revaluation reserve is the reserve which is created when any Fixed Asset/ Non Current Asset (As Per Ind AS) is revalued upwards. This reserve is not available for distribution of dividend.
- Retained earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- 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.
- Securities Premium:** It represents the share premium on account of issue of equity shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

**13 Borrowings**

**13(a) Non-current borrowings**

**A Secured**

**(i) Term Loans**

**a. From Punjab National Bank**

Less: Current maturities

**b. From Indian Bank**

Less: Current maturities

**c. From State Bank of India**

Less: Current maturities

**Total Term Loans (i)**

**(ii) Working Capital Loans**

**a. Working Capital under GECL**

Less: Current maturities

**b. Covid-19 Emergency CF (OD Facility)**

Less: Current maturities

**Total Working Capital Loans (ii)**

**(iii) Auto loan**

Less: Current maturities

**Total Other Loans (iii)**

**Total of Secured Loans (i) + (ii) + (iii)**

	<b>As at 31.03.2023</b>		<b>As at 31.03.2022</b>	
	16,917.96		16,548.03	
	(4,500.00)	12,417.96	(3,000.00)	13,548.03
	3,021.91		2,577.36	
	(400.00)	2,621.91	-	2,577.36
	2,602.25		-	
	-	2,602.25	-	-
		<b>17,642.12</b>		<b>16,125.39</b>
	5,645.00		6,773.23	
	(1,270.13)	4,374.87	(1,129.00)	5,644.23
	-		75.60	
	-	-	(75.60)	-
		<b>4,374.87</b>		<b>5,644.23</b>
	16.70		24.02	
	(4.46)		(4.17)	
		<b>12.24</b>		<b>19.85</b>
	<b>A</b>	<b>22,029.23</b>		<b>21,789.47</b>

<b>Repayment Terms</b>		<b>Securities</b>	
<b>Term Loans</b>		<b>Primary</b>	<b>Collateral</b>
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, Durgapur under consortium of Unit -1 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. 30 Crores- repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.		Hypothecation/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)
	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.		Corporate Guarantees of Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd. BMS Sales Pvt
	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, under consortium of Unit -II 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.		

Working Capital Loans	Primary Security
a) <b>Under GECL</b> From Punjab National Bank, for Limit of Rs. 45.16 Crores; repayable in 48 Equated monthly instalments of Rs. 0.94 Crore beginning from April 2022.  From Punjab National Bank, for Limit of Rs. 22.58 Crores and is repayable in 48 Equated monthly instalments of Rs. 47.04 lacs beginning from January 2024.	Extension of charge over entire current assets of the Company as a whole both present and future.
b) <b>For Covid-19 Emergency Loan</b> From Punjab National Bank, and is repayable in 18 monthly instalments of Rs. 39 lacs beginning from January 2021.	Extension of charge on all existing primary and collateral security; personal and corporate/ third party guarantee.
c) <b>For Auto Loan</b> From PNB is repayable in 60 Equated monthly instalments of Rs. 0.47 lacs beginning from April 2022.	Against hypothecation of Toyota Innova Crysta 2.4 ZX Diesel BS Model:2022

**13(a) Non-current borrowings ( continued)**

**B Unsecured Loan**

Loan from Body Corporates  
Related Parties  
Others

**Total of Unsecured Loans (B)**

**Total of Non- Current Borrowings (A+B)**

As at 31.03.2023	As at 31.03.2022
-	4,300.00
-	6,200.00
-	<b>10,500.00</b>
<b>22,029.24</b>	<b>32,289.48</b>

**13(b) Current Borrowings**

**Secured**

**(i) Working Capital Loans**

- Punjab National Bank  
- Indian Bank  
- Canara Bank  
- State Bank of India  
Total (i)

As at 31.03.2023	As at 31.03.2022
-	8629.59
217.83	3000.54
1067.58	1351.70
3501.52	-
<b>4786.93</b>	<b>12981.83</b>

**Security:**

**Primary**

- a) 1st pari-passu charge 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, Panditit 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 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  
Working Capital Loans are under Consortium with Punjab National Bank as the Lead Bank.

**13(b) Current Borrowings**

(Continued)

**(ii) Current Maturities**

For Term Loans  
For Working Capital Term Loan under GECL  
For Covid Loan  
For Auto Loan  
Total (ii)

**Total of Current Borrowings (i) + (ii)**

As at 31.03.2023	As at 31.03.2022
4,900.00	3,000.00
1,270.13	1,129.00
-	75.60
4.46	4.17
<b>6,174.59</b>	<b>4,208.77</b>
<b>10,961.52</b>	<b>17,190.60</b>

Amount in Rs. Lakhs

	As at 31.03.2023	As at 31.03.2022
<b>14 Provisions</b>		
<b>14(a) Non-current</b>		
Provisions for employee benefits		
- Provision for gratuity	264.15	216.78
- Provision for leave salary	60.10	43.56
<b>Total</b>	<b>324.25</b>	<b>260.34</b>
<b>14(b) Current</b>		
Provisions for employee benefits		
- Provision for gratuity	19.94	21.38
- Provision for leave salary	4.06	3.66
- Provision for Bonus	56.90	17.68
Provision for Audit Fees	4.50	1.85
Provisions for expenses	2,448.80	3,372.22
<b>Total</b>	<b>2,534.19</b>	<b>3,416.79</b>
<b>15 Trade Payables</b>		
Due to Micro & Small Enterprises	76.95	711.25
Due to other than Micro & Small Enterprises:		
- For goods and services	7,195.25	5,257.26
- For other expenses	787.73	642.47
	7,982.98	5,899.74
<b>Total</b>	<b>8,059.93</b>	<b>6,610.98</b>

**Trade Payables ageing schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date 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

**Trade Payables ageing schedule as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payments				Total
	Less Than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
MSME	711.25	-	-	-	711.25
Others	5,473.53	426.20	-	-	5,899.73

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

Particulars	As at 31st March 2023	As at 31st March 2022
a) The principal amount remaining unpaid to MSMEs supplier	76.93	711.25
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	-	-
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	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	-	-

**16 Other current liabilities**

**Revenue received in advance**

Advance from customers	4,445.81	2,540.58
Advance from related party (refer note 31)	5.42	-
<b>Others</b>		
Statutory liabilities	1,043.30	108.72
Liabilities for expenses	230.51	133.39
<b>Total</b>	<b>5,725.04</b>	<b>2,782.69</b>



	Year ended 31.03.2023	Year ended 31.03.2022
<b>17 Revenue from operations</b>		
<b>Sale of products</b>		
- Finished goods	1,19,405.56	83,766.92
- Traded goods	51,374.28	38,576.07
	1,70,779.84	1,22,342.99
<b>Other operating revenues</b>		
- Sale of raw materials and stores	2,861.88	1,678.59
	<b>1,73,641.72</b>	<b>1,24,021.58</b>
<b>18 Other income</b>		
Interest income:		
- Deposits with banks	19.13	28.43
- Others	526.93	70.14
Other non-operating income:		
Licence Income	22.50	116.53
Royalty Income	5.00	-
Foreign Exchange Fluctuation Gain	3.26	-
Miscellaneous receipt	52.90	1.00
Liabilities no longer required written back	2,799.20	6.56
<b>Total</b>	<b>3,428.92</b>	<b>222.67</b>
<b>19 Cost of materials consumed</b>		
Inventory of raw materials at the beginning of the year	5,079.55	2,447.71
Add: Purchases	90,215.42	57,986.46
	95,294.97	60,434.17
Less: Inventory of raw materials at the end of the year	(7,146.10)	(5,079.55)
<b>Cost of materials consumed</b>	<b>88,148.87</b>	<b>55,354.61</b>
<b>20 Purchase of Stock-in-trade</b>		
Purchase of traded goods	40,793.25	44,473.64
<b>Total</b>	<b>40,793.25</b>	<b>44,473.64</b>
<b>21 Change in inventories of finished goods and stock in trade</b>		
<b>Opening stock</b>		
Finished goods	4,574.03	2,304.66
Traded goods	1,094.29	650.85
	5,668.32	2,955.51
<b>Less :- Closing Stock</b>		
Finished goods	(8,817.92)	(4,574.03)
Traded goods	(526.72)	(1,094.29)
	(9,344.65)	(5,668.32)
Net (Increase)/Decrease	<b>(3,676.33)</b>	<b>(2,712.82)</b>
<b>22 Employee benefits expense</b>		
Salaries and Wages	2,478.35	1,687.52
Directors' Remuneration	39.25	30.00
Contribution to provident and other funds	290.19	146.90
Staff welfare expenses	28.55	9.33
<b>Total</b>	<b>2,836.33</b>	<b>1,873.75</b>
<b>23 Finance costs</b>		
Interest expense		
- on Term Loans	1,633.99	1,805.37
- on Working Capital Loans	1,006.18	480.23
- others	304.31	138.52
Bank charges & other borrowing costs	248.41	285.65
<b>Total</b>	<b>3,192.89</b>	<b>2,709.77</b>

	Year ended 31.03.2023	Year ended 31.03.2022
<b>24 Depreciation and amortisation expenses</b>		
Property, Plant & Equipment (Refer Note 3A)	2,498.12	1,853.38
Right-of-use assets (Refer Note 3B)	140.84	126.05
Intangible Assets (Refer Note 3D)	5.05	0.63
	<b>2,644.01</b>	<b>1,980.06</b>
<b>25 Other expenses</b>		
Stores and consumables	2,797.35	1,550.70
Power and fuel consumed	11,168.97	4,096.99
Processing Labour Charges	2,036.93	1,478.05
Water charges	52.84	23.32
Repairs and maintenance		
- Buildings	54.34	38.89
- Plant and machinery	108.52	71.63
Rates and taxes	10.51	36.05
Insurance charges	40.66	6.85
Rent	131.05	66.31
Repairs and maintenance		
- Others	10.73	5.06
Security Charges	276.06	183.46
Hire Charges	388.03	213.60
Telephone Expenses	2.85	2.38
Travelling and conveyance	341.64	192.82
Payment to auditor *	6.50	1.85
Legal and professional charges	208.84	135.96
CSR expenditure (refer Note 36)	67.77	28.22
Freight charges	3,093.99	1,969.25
Commission on sales	940.66	1,102.87
Business Promotion Expenses	3,855.64	2,596.69
Advertisement expenses	1,729.24	1,940.82
Loss on sale of property, plant and equipments	58.26	54.36
Allowance for doubtful receivables	4,255.32	591.78
Sundry Balances Written off	122.36	-
Miscellaneous expenses	74.16	27.48
<b>Total</b>	<b>31,833.23</b>	<b>16,415.39</b>
<b>* Payment to auditor</b>		
As auditor:		
- Statutory audit	6.00	1.50
- Tax audit	0.50	0.35
	<b>6.50</b>	<b>1.85</b>

Amount in Rs. Lakhs

	Year ended 31.03.2023	Year ended 31.03.2022
<b>26 Deferred tax</b>		
<b>Particulars</b>		
Deferred Tax Assets	4,988.90	-
Deferred Tax Liabilities	(3,479.39)	-
<b>Total</b>	<b>1,509.51</b>	<b>-</b>
<b>Components of Deferred Tax Asset and Liability:</b>		
<b>Deferred Tax Asset*:</b>		
Fair value loss on investment	0.90	-
Brought Forward Losses	4,988.00	-
	<b>4,988.90</b>	<b>-</b>
<b>Deferred Tax Liability:</b>		
Depreciation & Amotization expenses	3,449.61	-
Defined Benefit Plans	29.78	-
	<b>3,479.39</b>	<b>-</b>
<b>Net Deferred Tax Asset</b>	<b>1,509.51</b>	<b>-</b>

\*The Company has recognised the excess of deferred tax assets during the year.

**27 Basic and diluted earnings per share**

(a) Profit attributable to equity shareholders of the company used in calculating basic earnings per share (Rs. in lakhs)	12,807.90	4,149.84
(b) Profit attributable to equity shareholders of the company used in calculating diluted earnings per share (Rs. in lakhs)	12,807.90	4,149.84
(c) Total number of ordinary shares outstanding for the purpose of basic earnings per share	8,05,00,000	5,00,00,000
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	6,83,00,000	5,00,00,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share	6,83,00,000	5,00,00,000
(e) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
- Basic [(a)/(c)]	18.75	8.30
- Diluted [(b)/(d)]	18.75	8.30
(f) Re-stated Earnings per equity share*		
- Basic & Diluted	18.75	6.08

\*Note: EPS has been Re-stated on account of issue of equity shares during the year.

**28 Contingent liability and commitments (Ind AS 37)**

a) Bank Guarantees outstanding (net of margin money)	1728.6	1308.36
b) Claims against the Company currently under litigation (*Ref: Note below)	23.54	23.54
c) Capital Commitment to Project vendors	3,966.81	5,434.07

\*Note: Subham Steel had filed a money suit to the tune of Rs. 23,54,000 against the company for recovery of money.

**29 Segment information**

The business of the company falls under a single operating segment i.e. manufacturing and trading of iron and steel products. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. There are no revenue from external customers and non-current assets located outside India.

**30 Employee Benefits**

**(a) Defined contribution plans:**

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

**Particulars**

Employer's contribution to Provident Fund and ESI

As at 31.03.2023	As at 31.03.2022
214.27	80.20

**(b) Defined benefit plans:**

**Statement of Assets and Liabilities for defined benefit obligation**

	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Net defined benefit obligation	64.16	47.22	284.09	238.16
Net defined benefit asset	-	-	-	-
<b>Total employee benefit liabilities</b>	<b>64.16</b>	<b>47.22</b>	<b>284.09</b>	<b>238.16</b>
<b>Non-current</b>	<b>60.10</b>	<b>43.56</b>	<b>264.15</b>	<b>216.78</b>
<b>Current</b>	<b>4.06</b>	<b>3.66</b>	<b>19.94</b>	<b>21.38</b>

**Defined benefits - Gratuity (Unfunded)**

The Company has a defined benefit gratuity plan. The provisions 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. 10 lakhs on superannuation, resignation, termination, disablement or on death. The maximum ceiling of Rs. 10 lakhs has been recommended for enhancement to Rs. 20 lakhs by the Report of the 3rd Pay Revision Committee appointed by the GOI. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

These defined benefit plans expose the Company to actuarial risks, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(a) Balance at the beginning of the year	47.22	27.43	238.16	194.11
(b) Current service cost	13.93	15.53	39.67	31.09
(c) Interest cost	3.45	1.89	17.39	13.39
(d) Past service cost	-	-	-	-
(e) Actuarial (gains)/ losses recognised in other comprehensive income				
- demographic assumptions	-	-	-	-
- financial assumptions	0.59	(1.77)	2.55	(8.73)
- experience adjustment	0.90	6.57	6.75	25.57
(f) Benefits paid	(1.92)	(2.44)	(20.42)	(17.27)
(g) Balance at the end of the year	<b>64.16</b>	<b>47.22</b>	<b>284.09</b>	<b>238.16</b>

**(ii) Expense recognised in Profit or Loss**

	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(a) Current service cost	13.93	15.53	39.67	31.09
(b) Interest cost	3.45	1.89	17.39	13.39
(c) Past service cost	-	-	-	-
(d) Actuarial (gains) / losses	1.49	4.80	-	-
<b>Amount charged to Profit or Loss</b>	<b>18.87</b>	<b>22.23</b>	<b>57.05</b>	<b>44.48</b>

Amount in Rs. Lakhs

(iii) Remeasurements recognised in Other Comprehensive Income	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(a) Actuarial loss/ (gain) arising on defined benefit obligation from				
- demographic assumptions	-	-	-	-
- financial assumptions	-	-	2.55	(8.73)
- experience adjustment	-	-	6.75	25.57
(b) Actual return on plan asset less interest on plan asset	-	-	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>9.30</b>	<b>16.84</b>

(iv) Reconciliation of present value of plan assets	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
(a) Balance at the beginning of the year	-	-	-	-
(b) Investment Income	-	-	-	-
(c) Return on Plan Assets, excluding amount recognised in Net Interest Expense	-	-	-	-
(d) Contributions by the employer	1.92	2.44	20.42	17.27
(e) Benefits paid	(1.92)	(2.44)	(20.42)	(17.27)
<b>(f) Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(v) Actuarial assumptions	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Discount rate (in %)	7.20%	7.30%	7.20%	7.30%
Expected rate of salary increase (in %)	5.00%	5.00%	5.00%	5.00%
Retirement age (years)	58	58	58	58
Average future service (years)	21	19.27	21	19.27

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(vi) Sensitivity analysis	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Defined benefit obligation on discount rate plus 100 basis points	58.64	43.24	260.19	218.37
Defined benefit obligation on salary growth rate plus 100 basis points	71.18	52.27	312.75	261.86
Defined benefit obligation on attrition rate plus 50 basis points	65.35	48.10	287.79	241.17
Defined benefit obligation on mortality rate plus 50 basis points	64.34	47.35	284.82	238.80
Defined benefit obligation on discount rate minus 100 basis points	70.61	51.85	311.70	260.98
Defined benefit obligation on salary growth rate minus 100 basis points	58.08	42.83	258.92	217.30
Defined benefit obligation on attrition rate minus 50 basis points	62.82	46.22	279.88	234.73
Defined benefit obligation on mortality rate minus 50 basis points	63.98	47.08	283.34	237.50

(vii) Weighted average duration of defined benefit obligation (based on discounted cash flow)	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
In years	10	9	10	10

(viii) Maturity profile of defined benefit obligation (valued on undiscounted basis)	Leave Encashment		Gratuity	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Within the next 12 months	4.06	3.66	19.94	21.38
Between 1 and 5 years	18.89	14.27	87.87	71.46
Between 5 and 10 years	28.39	20.10	139.71	110.95
More than 10 years	98.82	71.87	385.97	324.84

### 31 Related Party Disclosures

#### i) Key Management Personnel (KMP)

Mr. Deepak Kumar Agarwal  
Mr. Ramabatar Agarwal  
Mr. Sanjay Kumar Chowdhary (till 14th Feb. 2023)  
Mr. Chandan Kumar Khurana (from 6th Jan. 2023)  
Mr. Ajit Kumar Nath (till 6th Jan. 2023)  
Mrs. Priyanka Goenka  
Mr. Ashok Kumar Sharma  
Mrs. Swati Agarwala  
Mr. Ashutosh Sharma  
Mr. Binod Kumar Agarwal

#### Nature of Relationship

Managing Director  
Executive Director  
Whole Time Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director  
Relative of KMP  
Company Secretary  
Chief Financial Officer

#### ii) Wholly-owned Subsidiary Company

SPS Metal Cast & Alloys Limited ( from 4th May, 2022)

#### iii) A private company in which a director or manager or his relative is a member or director

JDL Stock Broking Services Private Limited	Starwise Vincom Private Limited
Krishna Sudama Marketing Private Limited	Swapno Marketing Private Limited
Lakeview Dealtrades Private Limited	Tanzil Buildcon Private Limited
Maa Sherawali Iron Industries Private Limited	A.T. Trade Overseas Private Limited
Matrivani Impex Private Limited	Aahna Properties Private Limited
MHS Sahny Engineers Private Limited	Action Tie Up Private Limited
Nilgiri Vyapaar Private Limited	Anirdesh Complex Private Limited
Premdeep Vatika Private Limited	Anirdesh Vintrade Private Limited
PRH Resources Private Limited	Arcade Steel Private Limited
Procon Leasing And Properties Private Limited	Aryavrat Niwas Consultants Private Limited
Prominent Infratech Private Limited	Aryavrat Plot Managers Private Limited
Real Coke Private Limited	Bengal Alloys & Melters Private Limited
Real Success Trading Private Limited	Bravo Sponge Iron Private Limited
Ruby Dealers Private Limited	CRS Enterprises Private Limited
Scorpio Marketing Private Limited	Dv Re-Rolling Mills Private Limited
Shakambhari Tie Up Private Limited	Eloquent Steel Iron Private Limited
Shakambhari Agrotech Private Limited	Eloquent Steel Private Limited
Shivkripa Commercial Private Limited	Infratex Commercial Private Limited
Shivratri Vyapaar Private Limited	Janak Vanijya Private Limited
Sparking Star Infradev Private Limited	Starcon Steel Trading Private Limited

#### iv) Enterprises significantly influenced by key management personnel

Aahna Housing Private Limited  
Shakambhari Ispat & Power Limited  
Elegant Care Foundation

#### v) A firm, in which a director, manager or his relative is a partner

City Infrapark LLP

**31 iv) 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	
		31-03-2023	31-03-2022
Purchase of Goods	Shakambhari Ispat & Power Ltd.	76,045.20	58,370.60
	Bravo Sponge Iron Pvt. Ltd.	23,651.74	22,865.21
	Eloquent Steel Pvt. Ltd.	3,382.73	8,353.94
	Shivratri Vyapaar Pvt.Ltd.	1,620.98	-
	Shivkripa Commercial Pvt. Ltd.	1,443.45	-
	CRS enterprise Pvt Ltd	17.54	-
	Shakambhari Agrotech Pvt Ltd	-	1.11
	Starcon Steel Trading Pvt Ltd	40.78	-
Sale of Goods	Shakambhari Ispat & Power Ltd.	19,456.95	14,171.21
	Bravo Sponge Iron Pvt. Ltd.	1,532.32	560.56
	Eloquent Steel Pvt. Ltd.	5,209.95	238.47
Director Remuneration	Mr. Deepak Kumar Agarwal	34.00	24.00
	Mr. Sanjay Kumar Chowdhary	5.25	6.00
Director Sitting Fees	Mrs. Priyanka Goenka	2.10	2.20
	Mr. Ajit Kumar Nath	0.51	0.66
	Mr. Ashok Kumar Sharma	1.05	0.41
	Mr. Ramabatar Agarwal	-	0.30
Rent	Eloquent Steel Iron Pvt Ltd	47.44	48.33
	Starcon Steel Trading Pvt Ltd	28.32	0.24
Royalty Paid	Shakambhari Ispat & Power Ltd	5.00	-
Unsecured Loan & Advances Given	SPS Metal Cast & Alloys Ltd.	1,596.34	3.94
	Eloquent Steel Iron Pvt Ltd	325.00	865.00
	Krishna Sudama Marketing Pvt Ltd	38.50	-
	Starcon Steel Trading Pvt Ltd	20.78	314.00
Unsecured Loan & Advances Repaid	SPS Metal Cast & Alloys Ltd.	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	159.80
	Matrivani Impex Pvt Ltd	50.64	-
Loans Received	Shivkripa Commercial Pvt Ltd	-	3,550.00
	Shivratri Vyapar Pvt Ltd	-	750.00
Loans Refunded	Shivkripa Commercial Pvt Ltd	3,550.00	-
	Shivratri Vyapar Pvt Ltd	750.00	-
Interest Income	Matrivani Impex Pvt Ltd	12.45	-
Share Application money (Pending Allotment)	SPS Metal Cast & Alloys Ltd.	-	1,300.00
Investment in subsidiary	SPS Metal Cast & Alloys Ltd.	1,300.00	-
Share Alloted	Shivkripa Commercial Pvt Ltd	800.00	-
	Shivratri Vyapar Pvt Ltd	800.00	-
CSR Contribution	Elegant Care Foundation	30.80	20.00
Royalty Received	Shakambhari Ispat & Power Ltd	5.00	-



**31 v) Outstanding balances:**

Name of related party	Balance for the year ended	
	31-03-2023	31-03-2022
<b>Trade Payable</b>		
Shivratri Vyapaar Pvt.Ltd.	35.98	1,756.25
Shivkripa Commercial Pvt. Ltd.	26.83	-
Shakambhari Agrotech Pvt Ltd	-	(1.11)
Starcon Steel Trading Pvt Ltd	2,709.25	-
<b>Loans Taken</b>		
Shivratri Vyapaar Pvt.Ltd.	-	(750.00)
Shivkripa Commercial Pvt. Ltd.	-	(3,550.00)
SPS Metal Cast & Alloys Ltd.	(5.42)	-
<b>Loans &amp; Advances Given</b>		
SPS Metal Cast & Alloys Ltd.	-	3.94
Eloquent Steel Iron Pvt Ltd	-	865.00
Matrivani Impex Pvt Ltd	114.81	153.00
Starcon Steel Trading Pvt Ltd	-	154.20
<b>Miscellaneous</b>		
Eloquent Steel Iron Pvt Ltd( Security Deposit)	70.00	70.00
SPS Metal Cast & Alloys Ltd.(Share Application)	-	1,300.00
SPS Metal Cast & Alloys Ltd.(Investment - Subsidiary)	1,300.00	-
<b>Guarantees given by</b>		
Starwise Vincom Private Limited	1.00	1.00
Shakambhari Tie Up Private Limited	9,009.00	9,009.00
Krishna Sudama Marketing Private Limited	2,557.00	2,557.00
BMS Sales Private Limited	8,241.00	8,241.00
Mr. Deepak Kumar Agarwal	2,365.00	2,365.00
Mr. Ramabatar Agarwal	92.00	92.00
Mrs. Swati Agarwala	754.00	754.00
<b>Director Fees/ Sitting Fees outstanding</b>		
Mr. Sanjay Kumar Chowdhary	3.58	0.45
Mr. Ajit Kumar Nath	0.46	0.30
Mr. Ashok Kumar Sharma	0.95	0.31
Mr. Ramabatar Agarwal	-	0.30
Mrs. Priyanka Goenka	-	0.99

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.

### 32 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, and arises principally from the Company receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

#### Credit risk management

**(a) Trade Receivable :** Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limit based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In addition, small customers are grouped into homogeneous groups and assessed for impairment collectively. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

**Reconciliation of loss allowance provision - Trade receivable are as follows:**

Particulars	As at 31.03.2023	As at 31.03.2022
Loss allowance at the beginning of the year	6,436.86	6,458.90
Change in allowance during the year	4,255.32	(22.04)
Loss allowance at the end of the year	10,692.18	6,436.86

#### (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.

#### 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.

#### Particulars

##### As at 31st March 2023

	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	10,961.52	22,029.24	-	32,990.76
Trade payables	8,059.93	-	-	8,059.93
Other financial liabilities	-	-	-	-
	<b>19,021.45</b>	<b>22,029.24</b>	<b>-</b>	<b>41,050.69</b>

##### As at 31st March 2022

	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	17,190.60	32,289.48	-	49,480.07
Trade payables	6,610.98	-	-	6,610.98
Other financial liabilities	-	-	-	-
	<b>23,801.58</b>	<b>32,289.48</b>	<b>-</b>	<b>56,091.05</b>

**(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	31 March 2023	31 March 2022
<b>Fixed rate instruments</b>		
Financial assets	624.83	5,454.69
Financial liabilities		
<b>Variable rate instruments</b>		
Financial assets		
Financial liabilities	32,990.76	49,480.08

**Sensitivity analysis**

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

**(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:

	31st March 2023	31st March 2022
<b>Liabilities</b>		
USD	-	-
Others	-	-
Total	-	-
<b>Assets</b>		
USD	71,249.99	-
Others	-	-
Total	<b>71,249.99</b>	-

**33 Capital management (Ind AS 1)**

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.

### 34 Financial instruments and related disclosures

#### ## 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.

#### ## 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.

	Note No.	As at 31st March 2023		As at 31st March 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
			Level 3		Level 3
<b>A. Financial assets:</b>					
<b>a) Measured at amortised cost</b>					
Other financial assets	4(b) (c)	886.07	-	8,555.76	-
Trade receivables	8	14,459.11	-	18,504.56	-
Cash and cash equivalents	9	2,525.93	-	52.10	-
<b>b) Measured at fair value through other comprehensive income</b>					
Investments	4(a)	97.42	97.42	0.03	0.03
<b>B. Financial liabilities:</b>					
<b>a) Measured at amortised cost</b>					
Borrowings	13(a) (b)	32,990.76	-	49,480.08	-
Trade payables	15	8,059.93	-	6,610.97	-

	As at 31.03.2023	As at 31.03.2022
<b>35 CSR Disclosures</b>		
Amount required to be spent by the company during the year	58.70	27.68
Amount of expenditure incurred	67.77	28.22

#### Nature of CSR activities:

Eradicating hunger, poverty and malnutrition; Promoting education; Ensuring environmental sustainability; protection of flora and fauna; Training to promote rural sports; Rural development projects; COVID Related Expenses.

Out of CSR expenses above, Rs.30.80 lakhs (Previous Year Rs. 20 lakhs) contributed to Elegant Care Foundation, which is a related party (Refer Note 31).

**36** The Company has applied for the Provident Fund and E.S.I. registrations for its Unit-2 at Purulia on 27.12.2022, which is yet to be allotted by the respective authorities. The Company shall deduct and deposit the liabilities under the respective statutes after getting the said registrations.

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the standalone financial statements for the year ended 31st March 2023 (Continued)**

Amount in Rs. Lakhs

**37 Income Tax**

Income Tax Recognised in Profit & Loss :-

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
<b>Current tax</b>		
In respect of the current year	-	-
In respect of the Previous year	-	-
<b>Total</b>	-	-
<b>Deferred tax</b>		
In respect of the current year	(1,509.51)	-
<b>Total</b>	(1,509.51)	-
<b>Total income tax expense recognised in the current year</b>	<b>(1,509.51)</b>	-

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

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit before tax	11,298.39	4,149.84
Applicable Tax Rate	25.17%	25.17%
Income tax expense	2,843.58	1,044.43
Tax Effect of:		
Allowable Expenses	(1,319.07)	258.36
Expenses disallowed	1,818.75	1,258
	<b>3,343.26</b>	<b>2,560.32</b>
Adjustment:		
Tax set-off on B/F loss	3343.26	2,560.32
<b>Current Tax Provisions (A)</b>	<b>-</b>	-
Recognition of Deferred Tax Assets (As per note 26)	1,509.51	-
<b>Deferred Tax Provisions (B)</b>	<b>1,509.51</b>	-
<b>Tax Expenses recognised in Profit &amp; Loss (A+B)</b>	<b>1,509.51</b>	-

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the standalone financial statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**38 Financial Ratios**

	Particulars	As at 31st March, 2023	As at 31st March, 2022	% Change in ratios	Reason of % Change beyond 25%
i)	<b>Current Ratio</b>				
	Current Assets	49,172.17	44,150.29		
	Current Liability	27,280.68 1.80	30,001.06 1.47	22.48%	NA
ii)	<b>Debt - Equity Ratio</b>				
	Total Debt	32,990.76	49,480.08		Company has repaid more debt and also issued Equity shares during the year.
	Shareholders Equity	46,307.81 0.74:1	21,311.79 2.32:1	-67.96%	
iii)	<b>Debt Service Coverage Ratio</b>				
	Earnings available for debt services	16,886.88	8,554.03		
	Debt Services	9,295.53 1.82	5,146.03 1.66	9.29%	NA
iv)	<b>Return on Equity Ratio</b>				
	Net Profit after tax	12,807.90	4,149.84		Company has managed to reduce input cost and increase sales and margin. Also equity shares issued during the year.
	Average Shareholders Equity	33,809.80 37.88%	19,248.33 21.56%	75.71%	
v)	<b>Inventory Turnover Ratio</b>				
	Sales	1,73,641.72	#####		
	Average Inventory	17,437.34 9.96	11,079.39 11.19	-11.04%	NA
vi)	<b>Trade Receivables Turnover Ratio</b>				
	Sales	1,73,641.72	#####		Company has managed to reduce Trade receivable and increase sales.
	Average Trade Receivables	16,481.83 10.54	18,707.62 6.63	58.92%	
vii)	<b>Trade Payables Turnover Ratio</b>				
	Net Credit Purchases	1,31,008.67	#####		Company has managed to sustain payables inspite of increase in purchases.
	Average Trade Payables	7,335.45 17.86	7,278.13 14.08	26.86%	
viii)	<b>Net Capital Turnover Ratio</b>				
	Revenue from Operations	1,73,641.72	#####		
	Average Working Capital	18,020.36 9.64	14,040.80 8.83	9.09%	NA
ix)	<b>Net Profit Ratio</b>				
	Net Profit	12,807.90	4,149.84		Company has managed to reduce input cost and increase sales and margin.
	Revenue from Operations	1,73,641.72 7.38%	##### 3.35%	120.44%	
x)	<b>Return on Capital employed</b>				
	EBIT	14,242.88	6,573.97		Company has managed to reduce input cost and increase sales and margin.
	Capital Employed	79,298.57 17.96%	70,791.87 9.29%	93.41%	
xi)	<b>Return on investment</b>				
	Income generated from Investments	(2.58)	NA		The company has made Mutual fund investment during the year out of surplus fund.
	Time weighted average Investments	100.00 -2.58%	NA NA	100%	

**39 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 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 any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend 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 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 any such transaction which is not recorded in the books of accounts that 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.

**40** 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

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Place: Kolkata**  
**Date: 30.05.2023.**

**For and on behalf of the Board**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary



## **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 31<sup>st</sup> March, 2023, 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 and Significant Accounting Policies and Additional Notes (hereinafter referred to as "the 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 31<sup>st</sup> March, 2023, 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.

Expenditure on Capital Projects	How the matter was addressed in our audit
<p>The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plant and equipments and capital work-in-progress as shown in note 3A &amp; 3C respectively in the Consolidated Financial Statements.</p> <p>We consider capital expenditure as a key audit matter due to :</p> <ul style="list-style-type: none"> <li>• Significance of amount incurred on such items during the year ended March 31, 2023.</li> <li>• Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.</li> <li>• Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the companies capitalisation policy and assessed for compliance with the relevant accounting standards.</li> <li>• We obtained an understanding, evaluated the design and tested the operating effectiveness of controls related with capital expenditure and capitalisation of assets.</li> <li>• 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.</li> </ul>

### 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 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 matter 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.7840.93 lakhs as at 31st March, 2023, total revenue of Rs.11,023.39 lakhs, net cash inflow of Rs.176.41 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, 2023 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, 2023 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. Proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

(Sunil Singhi)  
Partner  
Membership No.:060854  
UDIN: 23060854BGVPSC3231

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.



## **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, 2023.**

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(xxi) of the Order is not applicable to the Holding Company.

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

(Sunil Singhi)  
Partner  
Membership No.: 060854  
UDIN: 23060854BGVPSC3231

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.



## **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 31<sup>st</sup> March, 2023.

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 2023, 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 31<sup>st</sup> March 2023, 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

(Sunil Singhi)  
Partner  
Membership No.: 060854  
UDIN: 23060854BGVPSC3231

Place: Kolkata  
Date: 30<sup>th</sup> May, 2023.

Amount in Rs. Lakhs

	Note	As at 31.03.2023
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	3A	37,006.30
(b) Right of use assets	3B	2,621.74
(c) Capital work-in-progress	3C	3,495.74
(d) Other Intangible Assets	3D	22.99
(e) Financial Assets		
(i) Investments	4(a)	97.45
(ii) Other Financial Assets	4(b)	782.72
(f) Deferred Tax Asset (net)	5	1,509.51
(g) Other non-current assets	6(a)	786.11
<b>Total Non-current assets</b>		<b>46,322.56</b>
<b>(2) Current assets</b>		
(a) Inventories	7	19,650.54
(b) Financial assets		
(i) Trade receivables	8	19,906.89
(ii) Cash and cash equivalents	9	2,709.54
(iii) Other Financial Assets	4(c)	114.81
(c) Current tax assets (net)	10	429.93
(d) Other current assets	6(b)	13,343.23
<b>Total Current assets</b>		<b>56,154.93</b>
<b>TOTAL ASSETS</b>		<b>1,02,477.49</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	11	8,050.00
(b) Other equity	12	41,433.00
<b>Total Equity</b>		<b>49,483.00</b>
<b>Liabilities</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	13(a)	22,029.24
(b) Provisions	14(a)	324.25
<b>Total Non-current liabilities</b>		<b>22,353.49</b>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	13(b)	10,961.52
(ii) Trade payables	15	
- total outstanding dues of micro & small enterprises; and		76.95
- total outstanding dues of creditors other than micro and small enterprises		11,328.85
(b) Other current liabilities	16	5,739.19
(c) Provisions	14(b)	2,534.49
<b>Total Current liabilities</b>		<b>30,641.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,02,477.49</b>

Company Information and Significant Accounting Policies 1 & 2  
The accompanying notes form part of the Consolidated Financial Statements

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023.**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

**SPS STEELS ROLLING MILLS LIMITED**

**Consolidated Statement of Profit and Loss for the Year Ended 31st March 2023**

Amount in Rs. Lakhs

	Note	Year ended 31.03.2023
<b>I</b> Revenue from operations	17	1,82,800.34
<b>II</b> Other income	18	5,293.70
<b>III Total income (I + II)</b>		<b>1,88,094.04</b>
<b>IV Expenses</b>		
Cost of materials consumed	19	88,148.87
Purchase of stock-in-trade	20	48,101.48
Changes in inventories of finished goods and stock-in-trade	21	(3,676.32)
Employee benefits expense	22	2,838.53
Finance costs	23	3,193.79
Depreciation and amortisation expense	24	2,741.43
Other expenses	25	31,886.45
<b>Total expenses (IV)</b>		<b>1,73,234.22</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		14,859.81
Exceptional items		(195.85)
<b>VI Profit before tax</b>		<b>15,055.66</b>
<b>VII Tax expense:</b>		
Current tax		-
Deferred tax	26	(1,509.51)
<b>VIII Profit for the year (VI-VII)</b>		<b>16,565.17</b>
<b>Other comprehensive income</b>		
<b>A. Items that will not be reclassified to profit or loss</b>		
(a) Remeasurements of defined benefit plan		(9.30)
(b) Fair value changes of investments in mutual fund		(2.58)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(11.88)</b>
<b>B. Items that will be reclassified to profit or loss</b>		-
<b>Net other comprehensive income to be reclassified to profit or loss</b>		-
<b>IX Other comprehensive income</b>		<b>(11.88)</b>
<b>X Total comprehensive income for the year (VIII+IX)</b>		<b>16,553.30</b>
<b>XI Earnings per equity share</b>	27	
[Face value of equity share Rs. 10 each]		
- Basic		24.27
- Diluted		24.27

Company Information and Significant Accounting Policies  
The accompanying notes form part of the Consolidated Financial Statements

1&2

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023.**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

	Year ended 31st March 2023
<b>A Cash flow from operating activities</b>	
<b>Profit Before Tax and Exceptional Items</b>	<b>14,859.81</b>
<b>Adjustment for :-</b>	
Interest income	(546.06)
Depreciation and amortisation expense	2,741.43
Finance costs	3,193.79
Allowance for doubtful debts	4,255.32
Sundry Balances written off	122.36
Loss on sale of property, plant and equipments	58.26
Liabilities written back	(2,799.20)
<b>Operating profit before working capital changes</b>	<b>7,025.90</b>
<b>Adjustment For :-</b>	
Increase in Trade receivables, loans, advances and other assets	(4,948.33)
Increase in Inventories	(4,426.41)
Increase in Trade payables, other liabilities and provisions	9,727.96
<b>Cash generated from operations</b>	<b>22,238.93</b>
Income tax paid	(114.95)
<b>Net Cash from operating activities</b>	<b>22,123.97</b>
<b>B Cash flow from investing activities</b>	
Acquisition of property, plant and equipments & Expenditure on Capital Work-in-Progress	(17,355.23)
Proceeds from sale of property, plant and equipments	135.24
Investment in Mutual Fund	(100.00)
Maturity proceeds of fixed deposits	4,823.56
Interest received	546.06
<b>Net cash used in investing activities</b>	<b>(11,950.37)</b>
<b>C Cash flow from financing activities</b>	
Repayment of borrowings	(16,529.59)
Proceeds from issue of Equity share capital (including Securities Premium)	12,200.00
Interest paid	(3,193.79)
<b>Net cash used in financing activities</b>	<b>(7,523.38)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>2,650.22</b>
Cash & Cash equivalents at beginning of the year	65.86
Less: transferred to Business Re-organisation Reserve A/c / Exceptional Items	(6.54)
<b>Cash &amp; Cash equivalents at closing of the year</b>	<b>2,709.54</b>

- Note :**
- Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS - 7 specified under section 133 of the Companies Act, 2013.
  - Figures in (-) indicate cash outflow.

Company Information and Significant Accounting Policies  
The accompanying notes form part of the Consolidated Financial Statements

Note 1&2

**As per our Report annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**For and on behalf of the Board**

**(Sunil Singhi)**  
**Partner**  
Membership No. 060854

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Place: Kolkata**  
**Date: 30.05.2023.**

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

**A. Equity share capital**

**1) Current Reporting Period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated 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
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		
<b>Balance as at 1 April 2022</b>	-	59,590.79	8,846.68	(53,845.51)	11.18	14,603.15
Transferred to Business Re-organisation Reserve	-	1,126.55	-	-	-	1,126.55
Profit or Loss for the year	-	-	-	16,565.17	-	16,565.17
Additional Depreciation due to Revaluation	-	-	(1,409.06)	1,409.06	-	-
Addition on allotment	9,150.00	-	-	-	-	9,150.00
Remeasurements of Defined Benefit Plan	-	-	-	-	(9.30)	(9.30)
Fair value changes of investments in mutual fund	-	-	-	-	(2.58)	(2.58)
<b>Total comprehensive income</b>	9,150.00	1,126.55	(1,409.06)	17,974.23	(11.88)	26,829.84
<b>Balance as at 31st March 2023</b>	9,150.00	60,717.34	7,437.62	(35,871.28)	(0.69)	41,433.00

Company Information and Significant Accounting Policies

1 & 2

The accompanying notes form part of the Consolidated Financial Statements

**As per our Report annexed**

**For V.SINGHI & ASSOCIATES**

Chartered Accountants

Firm Registration No. 311017E

**For and on behalf of the Board**

(Sunil Singhi)

Partner

Membership No. 060854

Deepak Kumar Agarwal

Director

DIN : 00646153

Ashok Kumar Sharma

Director

DIN : 09273096

Place: Kolkata

Date: 30.05.2023.

Binod Kumar Agrawal

Chief Financial Officer

Ashutosh Sharma

Company Secretary

## SPS STEELS ROLLING MILLS LIMITED

### **Notes to the Consolidated Financial Statements for the year ended 31 March 2023**

#### **1. Corporate information**

SPS Steels Rolling Mills Limited 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 Company, consequent to the Hon'ble National Company Law Tribunal, Kolkata, order dated 25th November, 2021, became the 100% holding company of SPS Metal Cast & Alloys Limited (herein after referred to as the 'Subsidiary').

The Company and its subsidiary (collectively referred to as 'the Group') are principally engaged in the business of manufacturing and trading of iron and steel products. The Consolidated Financial Statements as at 31st March, 2023 present the financial position of the Group.

#### **2. Significant Accounting policy**

##### **a. Statement of Compliance**

The Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 group 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.

### **Current versus Non-current classification**

The group 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 group 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 group 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 Consolidated 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 Consolidated 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 Consolidated Statement of profit and loss.

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 group, 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 group 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**

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 group 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 significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The group trade receivables do not contain significant 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 Consolidated Statement of Profit and Loss.

##### **Impairment of non-financial assets**

The Group 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 group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Consolidated 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 Group 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 group in return for payment.

### **The Group as lessee**

The Group 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 Group 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 group 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 Group 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 group 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 group 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 group 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 Consolidated statement of profit and loss.

#### **l. Financial instruments**

Financial assets and financial liabilities are recognised when the group 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 Consolidated 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 insignificant 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 Group 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 group 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 Group 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**

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 Group 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group 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 group 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 group 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 significant.

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 consolidated 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.



#### **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 consolidated balance sheet when the group 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 group 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 consolidated 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 consolidated 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 Group 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 consolidated 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 consolidated 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.

### **q. Revenue**

The Group 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 group 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 significant 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 Consolidated Financial Statements of the group are presented in Indian Rupees ("₹"), which is the functional currency of the group and the presentation currency for the consolidated financial statements. In preparing the consolidated financial statements, transactions in currencies other than the group'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 consolidated 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 consolidated 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 group 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.

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**3A Property, Plant and Equipment**

	Freehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total
<b>A. Gross carrying amount</b>							
<b>As at March 31, 2022</b>	<b>572.94</b>	<b>9,107.81</b>	<b>18,412.78</b>	<b>79.54</b>	<b>67.22</b>	<b>15.20</b>	<b>28,255.50</b>
Additions	83.77	4,451.38	16,462.93	-	18.58	5.93	21,022.59
Deletions / Discard	-	(92.20)	(62.26)	-	-	-	(154.46)
<b>As at March 31, 2023</b>	<b>656.72</b>	<b>13,467.00</b>	<b>34,813.45</b>	<b>79.54</b>	<b>85.80</b>	<b>21.13</b>	<b>49,123.64</b>
<b>B. Depreciation</b>							
<b>As at March 31, 2022</b>	<b>-</b>	<b>2,534.44</b>	<b>6,923.19</b>	<b>48.02</b>	<b>46.71</b>	<b>9.51</b>	<b>9,561.87</b>
For the year	-	671.77	1,910.30	2.71	3.77	5.10	2,593.65
Deletions / Discard	-	(32.15)	(6.05)	-	-	-	(38.19)
<b>As at March 31, 2023</b>	<b>-</b>	<b>3,174.06</b>	<b>8,827.44</b>	<b>50.74</b>	<b>50.48</b>	<b>14.61</b>	<b>12,117.33</b>
<b>C. Net Carrying Amount</b>							
As at March 31, 2023	<b>656.72</b>	<b>10,292.94</b>	<b>25,986.01</b>	<b>28.80</b>	<b>35.32</b>	<b>6.52</b>	<b>37,006.30</b>

**Note 1:** 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 13369.00 lakhs. Depreciation on the enhanced amount on revaluation amounting to Rs 1409.06 lakhs (PY Rs 1534.54 lakhs) has been transferred from revaluation reserve to Retained Earnings.

**Note 2:** For details of assets pledged as security ref. Note 13.

		As at 31.03.2023
<b>3B Right of Use Assets (Land)</b>		
<b>a) Gross carrying amount</b>		
Balance at the beginning of the year		3,290.04
Additions during the year		24.98
Adjustment made during the year*		142.01
Balance at the end of the year		<b>3,173.01</b>
<b>b) Depreciation</b>		
Balance at the beginning of the year		430.31
For the year		142.73
Adjustment made during the year		21.77
Balance at the end of the year		<b>551.27</b>
<b>Net Carrying Amount (a) - (b)</b>		<b>2,621.74</b>
<b>Note 1:</b> The company has recognised ROU Assets as Lessee. However, since the entire consideration had paid in advance, hence Lease liability is Nil and accordingly there is no impact in Profit & Loss statement regarding finance cost.		
<b>*Note 2:</b> Pursuant to the order of Hon'ble High Court dated 20.03.2023, Assansol 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 year.		
<b>3C Capital work-in-progress (Tangible Asset)</b>		
Balance as at the beginning of the year		7,120.10
Additions during the year		17,284.74
Transferred to Property, Plant & Equipment (refer Note 1 & 2 below)		(20,909.10)
Balance at the end of the year		<b>3,495.74</b>
<b>Note: 1) The following projects commenced commercial production during the year</b>		
Modernisation of Direct Reduced Iron Project at Unit -2 at Purulia for 4 x 100 TPD		7,845.09
Captive Power Plant at Unit-2 at Purulia for 10 MW		4,600.46
Ferro Alloys Plant at Unit-2 at Purulia 1 X 9 MVA		2,251.40
Expansion of Furnance at Unit -1 at Durgapur for 20 TPD		1,351.82
Expansion of Rolling Mill at Unit -1 at Durgapur From 550 TPD to 650 TPD		2,982.48
Expansion of 33.11 KVA at Unit -1 at Durgapur		95.00
<b>Other Capitalisations during the year</b>		
Other Shed & structure at Unit -2 at Purulia		218.09
Administrative & Factory Buildings at Unit 2 at Purulia		767.81
Administrative & Factory Buildings at Unit 1 at Durgapur		796.95
Total		<b>20,909.10</b>
<b>2) Pre Operative expenses (included in Capital work-in-progress)</b>		
Balance as at the beginning of the year		262.93
Additions during the year		725.23
Transferred to Property, Plant & Equipment		912.54
Balance at the end of the year		<b>75.62</b>

**3) Capital Work in Progress ageing schedule**

As on 31.03.2023	Amount in CWIP as on 31.03.2023				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,304.36	191.38	-	-	<b>3,495.74</b>

	As at 31.03.2023
<b>3D Other Intangible Assets</b>	
<b>Computer Software</b>	
<b>a) Gross carrying amount</b>	
Balance as at the beginning of the year	38.02
Additions	-
Deletions / Discard	-
Balance at the end of the year	<b>38.02</b>
<b>b) Depreciation</b>	
Balance as at the beginning of the year	9.98
For the year	5.05
Deletions / Discard	-
Balance at the end of the year	<b>15.02</b>
<b>Net Carrying Amount (a) - (b)</b>	<b>22.99</b>
<b>4 Financial assets</b>	
<b>-Non-current Investment</b>	
<b>4(a) (i) Investment in equity instruments</b>	
<b>Unquoted, other than trade- At Cost</b>	
- Shivalik Solid Waste Management Ltd (250 Equity Shares of Rs. 10/- each)	0.03
<b>(ii) Investment in Unquoted Mutual Fund- (at fair value through other comprehensive income)</b>	
- Motilal Oswal India Excellence Fund - Mid to Mega - Series II	97.42
<b>Total</b>	<b>97.45</b>
Aggregate carrying value of unquoted investments	97.45
<b>4(b) Other Financial Assets ( Non Current)</b>	
Security deposit	157.89
Deposits with Banks*	624.83
*lien with Banks against Non-fund based credit limits Rs 624.83 lakhs (Previous Year - Rs 546.67 lakhs)	
<b>Total</b>	<b>782.72</b>
<b>4(c) Other Financial Assets ( Current)</b>	
Loans to bodies corporate:	
- Related Party	114.81
- Others	-
<b>Total</b>	<b>114.81</b>
Loan receivables - Considered Good - Secured:	-
Loan receivables - Considered Good - Unsecured:	114.81
Loan receivables which have significant increase in credit risk:	-
Loan receivables - Credit Impaired:	-
<b>5 Deferred Tax Asset (Net)</b>	
(Refer note 26)	
Deferred Tax Assets	14,226.87
Deferred tax Liabilities	(12,717.36)
	<b>1,509.51</b>
<b>6 Other assets</b>	
<b>6(a) Other Non-Current Assets</b>	
Capital advances	786.11
<b>Total</b>	<b>786.11</b>
<b>6(b) Other Current Assets</b>	
Advance for supplies	13,246.17
Advance to employees	18.88
Balances with government authorities	45.48
Pre-paid expenses	32.70
<b>Total</b>	<b>13,343.23</b>

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

Amount in Rs. Lakhs

		As at 31.03.2023
<b>7 Inventories</b>		
Raw materials		7,146.10
Finished goods		8,817.92
Stock in trade		526.72
Stores and spares		3,159.80
<b>Total</b>		<b>19,650.54</b>

**Note:** The inventories has been stated as per valuation policies as given in Note 2(n).

<b>8 Trade receivables</b>		
Unsecured, considered good		19,906.89
Significant increase in Credit Risk		10,692.18
Less: Allowance for doubtful debts		10,692.18
		-
<b>Total</b>		<b>19,906.89</b>

**Trade Receivables ageing schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date 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	<b>19,906.88</b>
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	10,692.18	<b>10,692.18</b>
<b>Total</b>	#####	<b>441.34</b>	<b>106.98</b>	-	<b>10,932.67</b>	<b>30,599.06</b>
Less: Allowance for doubtful receivables						<b>10,692.18</b>
<b>Total</b>						<b>19,906.89</b>

<b>9 Cash and cash equivalents</b>		
Balances with banks		
- Current accounts		187.56
- Trust and Retention Accounts		580.01
- Cash Credit (favourable balance)		1,940.52
Cash in hand		1.45
<b>Total</b>		<b>2,709.54</b>
<b>10 Current tax assets (net)</b>		
Income tax (net of provisions- Nil)		429.93
<b>Total</b>		<b>429.93</b>



**11 Equity share capital**
**Authorised**

8,25,00,000 (Previous Year 5,00,00,000) Equity Shares of Rs. 10/- each 8,250.00
8,250.00
**Issued, subscribed and fully paid-up**

805,00,000 (Previous Year 5,00,00,000) Equity Shares of Rs.10/- each fully Paid up 8,050.00
8,050.00
**A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period**

Balance as at the beginning of the year

Add : Issued during the year

Balance as at the end of the year

**As at 31st March 2023**

Number	Amount
5,00,00,000	5,000.00
3,05,00,000	3,050.00
<b>8,05,00,000</b>	<b>8,050.00</b>

**B. Rights, preferences and restrictions attaching to equity shares**

Equity shares of the company are having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share and carry a right to dividend. 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 in proportion to their shareholding.

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

Promoter's Name	As at 31st March, 2023		% Change during the year
	No. of Shares held	% of Holding	
1) Krishna Sudama Marketing Private Limited	30,00,000	3.73%	-2.27%
2) Swapno Marketing Private Limited	80,00,000	9.94%	-6.06%
3) Aryavrat Plot Managers Private Limited	91,91,406	11.42%	-6.96%
4) BMS Sales Private Limited	72,91,342	9.06%	-5.52%
5) Shakambari Tie-Up Private Limited	99,75,000	12.39%	-7.56%
6) Shivratni Vyapaar Pvt.Ltd.	20,00,000	2.48%	100.00%
7) Shivkripa Commercial Pvt. Ltd.	20,00,000	2.48%	100.00%

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

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

**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.

## 12 Other Equity

Particulars	Securities Premium	Business Re-organisation Reserve	Revaluation Reserve	Retained Earning	Equity instruments through other comprehensive income	Total
<b>As on 1st April 2022</b>	-	<b>59,590.79</b>	<b>8,846.68</b>	<b>(53,845.51)</b>	<b>11.18</b>	<b>14,603.15</b>
Adjustment on account of additional depreciation due to revaluation	-	-	(1,409.06)	1,409.06	-	-
Transferred to Business Re-organisation Reserve	-	1,126.55	-	-	-	1,126.55
Profit or Loss for the year	-	-	-	16,565.17	-	16,565.17
Allotment of Equity share	9,150.00	-	-	-	-	9,150.00
Remeasurements of Defined Benefit Plan	-	-	-	-	(9.30)	(9.30)
Fair value changes of investments in mutual fund	-	-	-	-	(2.58)	(2.58)
<b>Balance as on 31st March 2023</b>	<b>9,150.00</b>	<b>60,717.34</b>	<b>7,437.62</b>	<b>(35,871.28)</b>	<b>(0.69)</b>	<b>41,433.00</b>

### B. Nature and purpose of reserves

- (a) **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.
- (b) **Revaluation Reserve:** Revaluation reserve is the reserve which is created when any Fixed Asset/ Non Current Asset (As Per Ind AS) is revalued upwards. This reserve is not available for distribution of dividend.
- (c) **Retained earnings:** This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- (d) **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.
- (e) **Securities Premium:** It represents the share premium on account of issue of equity shares. It can be utilized in accordance with the provisions of the Companies Act, 2013.

<b>13 Borrowings</b>		
<b>13(a) Non-current borrowings</b>		<b>As at 31.03.2023</b>
<b>A Secured</b>		
<b>(i) Term Loans</b>		
<b>a. From Punjab National Bank</b>	16,917.96	
Less: Current maturities	(4,500.00)	12,417.96
<b>b. From Indian Bank</b>	3,021.91	
Less: Current maturities	(400.00)	2,621.91
<b>c. From State Bank of India</b>	2,602.25	
Less: Current maturities	-	2,602.25
<b>Total Term Loans (i)</b>		<b>17,642.12</b>
<b>(ii) Working Capital Loans</b>		
<b>a. Working Capital under GECL</b>	5,645.00	
Less: Current maturities	(1,270.13)	4,374.87
<b>Total Working Capital Loans (ii)</b>		<b>4,374.87</b>
<b>(iii) Auto loan</b>	16.70	
Less: Current maturities	(4.46)	
<b>Total Other Loans (iii)</b>		<b>12.24</b>
<b>Total of Secured Loans (i) + (ii) + (iii)</b>		<b>22,029.23</b>

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, Durgapur under consortium of Unit -1 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. 30 Crores and is repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.		Hypothecation/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 varing 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 Agarwala (Guarantor)
	State Bank of India- Rs. 25 Crores; repayable in 29 varing quarterly instalments from Rs. 0.13 Crore to Rs.1.56 Crore beginning from June 2024.		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 varing 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, under consortium of Unit -II 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 varing quarterly instalments from Rs.1.63 Crore to Rs.3.07 Crore beginning from June 2024.		
Working Capital Loans		Primary Security	
a)	<b>Under GECL</b>	Extension of charge over entire current assets of the Company as a whole both present and future.	
	From Punjab National Bank, for Limit of Rs. 45.16 Crores;		
	From Punjab National Bank , for Limit of Rs. 22.58 Crores carries		
b)	<b>For Covid-19 Emergency Loan</b>		
	From Punjab National Bank is repayable in 18 monthly instalments of Rs. 39 lacs beginning from January 2021.	Extension of charge on all existing primary and collateral security; personal and corporate/ third party guarantee.	
c)	<b>For Auto Loan</b>		
	From PNB repayable in 60 Equated monthly instalments of Rs. 0.47 lacs beginning from April 2022.	Against hypothecation of Toyota Innova Crysta 2.4 ZX Diesel BS Model:2022	

**13(b) Current Borrowings**

**Secured**

**As at 31.03.2023**

**(i) Working Capital Loans**

- Indian Bank	217.83
- Canara Bank	1067.58
- State Bank of India	3501.52
Total (i)	<b>4786.93</b>

**Security:**

**Primary**

- 1st pari-passu charge 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
- 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**

- 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
- Second pari passu charge by way of assignment of brand Elegant
- Personal Guarantees of: Mr Deepak Kumar Agarwal, Ramavatar Agarwal (Promoter Directors) and Swati Agarwal (Guarantor)
- Corporate Guarantees of Starwise Vincome Pvt. Ltd., Shakambhari Tie up Pvt Ltd, Krishna Sudama Marketing Pvt Ltd, BMS Sales Pvt Ltd

Working Capital Loans are under Consortium with Punjab National Bank as the Lead Bank.

**(ii) Current Maturities**

**As at 31.03.2023**

For Term Loans	4,900.00
For Working Capital Term Loan under GECL	1,270.13
For Auto Loan	4.46
Total (ii)	<b>6,174.59</b>

**Total of Current Borrowings (i) + (ii)**

**10,961.52**

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**  
**Amount in Rs. Lakhs**

**As at  
31.03.2023**

**14 Provisions**

**14(a) Non-current**

Provisions for employee benefits

- Provision for gratuity

- Provision for leave salary

**Total**

264.15

60.10

**324.25**

**14(b) Current**

Provisions for employee benefits

- Provision for gratuity

- Provision for leave salary

- Provision for Bonus

Provision for Audit Fees

Provisions for expenses

**Total**

19.94

4.06

56.90

4.80

2,448.80

**2,534.49**

**15 Trade payables**

Due to Micro & Small Enterprises

Due to other than Micro & Small Enterprises:

- For goods and services

- For other expenses

**Total**

76.95

10,541.07

787.78

11,328.85

**11,405.80**

**Trade Payables ageing schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date 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
<b>Total</b>	<b>11,248.13</b>	<b>134.23</b>	<b>23.44</b>	<b>-</b>	<b>11,405.80</b>

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

Particulars	As at 31.03.2023
a) The principal amount remaining unpaid to MSMEs supplier	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	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	-

**16 Other current liabilities**

**Revenue received in advance**

Advance from customers

**Others**

Statutory liabilities

Liabilities for expenses

**Total**

4,452.91

1,055.76

230.51

**5,739.19**

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

	<b>For the year ended</b>
	<b>31.03.2023</b>
<b>17 Revenue from operations</b>	
<b>Sale of products (Gross Value)</b>	
- Finished goods	1,28,564.18
- Traded goods	51,374.28
	<u>1,79,938.46</u>
<b>Other operating revenues</b>	
- Sale of raw materials and stores	2,861.88
	<u><b>1,82,800.34</b></u>
<b>18 Other income</b>	
Interest income:	
- Deposits with banks	19.13
- Others	526.93
Other non-operating income:	
Licence Income	22.50
Royalty Income	5.00
Foreign Exchange Fluctuation Gain	18.80
Commission Income	1,849.24
Miscellaneous receipt	52.90
Liabilities no longer required written back	2,799.20
<b>Total</b>	<u><b>5,293.70</b></u>
<b>19 Cost of materials consumed</b>	
Inventory of raw materials at the beginning of the year	5,079.55
Add: Purchases	90,215.41
	<u>95,294.96</u>
Less: Inventory of raw materials at the end of the year	(7,146.10)
<b>Cost of materials consumed</b>	<u><b>88,148.87</b></u>
<b>20 Purchase of Stock-in-trade</b>	
Purchase of traded goods	48,101.48
<b>Total</b>	<u><b>48,101.48</b></u>
<b>21 Change in inventories of finished goods and stock in trade</b>	
<b>Opening stock</b>	
Finished goods	4,574.03
Traded goods	1,094.29
	<u>5,668.32</u>
<b>Less :- Closing Stock</b>	
Finished goods	(8,817.92)
Traded goods	(526.72)
	<u>(9,344.65)</u>
Net (Increase)/Decrease	<u><b>(3,676.32)</b></u>

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

		<b>Amount in Rs. Lakhs</b>
		<b>For the year ended</b>
		<b>31.03.2023</b>
<b>22</b>	<b>Employee benefits expense</b>	
	Salaries and Wages	2,480.55
	Directors' Remuneration	39.25
	Contribution to provident and other funds	290.19
	Staff welfare expenses	28.55
	<b>Total</b>	<b>2,838.53</b>
<b>23</b>	<b>Finance costs</b>	
	Interest expense	
	- on Term Loans	1,633.99
	- on Working Capital Loans	1,006.18
	- others	304.31
	Bank charges & other borrowing costs	249.31
	<b>Total</b>	<b>3,193.79</b>
<b>24</b>	<b>Depreciation and amortisation expenses</b>	
	Property, Plant & Equipment (Refer Note 3A)	2,593.65
	Right-of-use assets (Refer Note 3B)	142.73
	Other Intangible Assets (Refer Note 3D)	5.05
	<b>Total</b>	<b>2,741.43</b>
<b>25</b>	<b>Other expenses</b>	
	Stores and consumables	2,797.35
	Power and fuel consumed	11,168.97
	Processing Labour Charges	2,036.93
	Water charges	54.57
	Repairs and maintenance	
	- Buildings	54.34
	- Plant and machinery	108.52
	Rates and taxes	26.99
	Insurance charges	40.66
	Rent	132.15
	Repairs and maintenance	
	- Others	24.32
	Security Charges	276.06
	Hire Charges	388.03
	Telephone Expenses	2.85
	Travelling and conveyance	341.64
	Payment to auditor *	6.80
	Legal and professional charges	208.84
	CSR expenditure (refer Note 35)	67.77
	Freight charges	3,093.99
	Commission on sales	940.66
	Business Promotion Expenses	3,855.64
	Advertisement expenses	1,729.24
	Loss on sale of property, plant and equipments	58.26
	Allowance for doubtful debts	4,255.32
	Prior period item	11.22
	Sundry Balances Written off	122.36
	Miscellaneous expenses	82.95
	<b>Total</b>	<b>31,886.45</b>
	<b>* Payment to auditor</b>	
	As auditor:	
	- Statutory audit	6.20
	- Tax audit	0.60
		<b>6.80</b>



Amount in Rs. Lakhs  
For the year  
ended  
31.03.2023

**26 Deferred tax**

**Particulars**

Deferred Tax Assets  
Deferred Tax Liabilities

**Total**

4,988.90

(3,479.39)

**1,509.51**

**Components of Deferred Tax Asset and Liability:**

**Deferred Tax Asset\*:**

Fair value loss on investment  
Brought Forward Losses

0.90

4,988.00

**4,988.90**

**Deferred Tax Liability:**

Depreciation & Amortization expenses  
Defined Benefit Plans

3,449.61

29.78

**3,479.39**

**Net Deferred Tax Asset**

**1,509.51**

\*The Company has recognised the excess of deferred tax assets during the year.

**27 Basic and diluted earnings per share**

(a) Profit attributable to equity shareholders of the company used in calculating basic earnings per share (Rs. in lakhs)

16,565.17

(b) Profit attributable to equity shareholders of the company used in calculating diluted earnings per share (Rs. in lakhs)

16,565.17

(c) Total number of ordinary shares outstanding for the purpose of basic earnings per share

8,05,00,000.00

(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share

#####

(d) Weighted average number of ordinary shares in computing diluted earnings per share

6,83,00,000.00

(e) Earnings per share on profit for the year  
(Face Value Rs. 10/- per share)

– Basic [(a)/(c)]

24.27

– Diluted [(b)/(d)]

24.27

**28 Contingent liability and commitments (Ind AS 37)**

a) Bank Guarantees outstanding (net of margin money)

1728.60

b) Claims against the Company currently under litigation (\*Ref: Note below)

23.54

c) Capital Commitment to Project vendors

3,966.81

**\*Note:** Subham Steel had filed a money suit to the tune of Rs. 23,54,000 against the company for recovery of money.

**29** SPS Metal Cast & Alloys Limited (SMCAL) became a wholly owned subsidiary of the company pursuant to allotment of 130 Lakh equity shares of SMCAL on 4th May, 2022 in accordance with the order of Hon'ble National Company Law Tribunal, Kolkata, dated 25th November, 2021. As such, these consolidated financial statements have been prepared considering the statement of profit and loss account of SMCAL from 4th May, 2022 to 31st March 2023. Consequently, no consolidated figures of the previous year have been included in these Consolidated Financial Statement.

**30 Segment information**

The business of the company falls under a single operating segment i.e. manufacturing and trading of iron and steel products. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

There are no revenue from external customers and non-current assets located outside India.

**SPS STEELS ROLLING MILLS LIMITED**  
**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**31 Employee Benefits**

**(a) Defined contribution plans:**

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

**Particulars**

**For the year  
ended  
31.03.2023**

Employer's contribution to Provident Fund and ESI

215.99

**(b) Defined benefit plans:**

**Statement of Assets and Liabilities for defined benefit obligation**

	<b>Leave Encashment</b>	<b>Gratuity</b>
Net defined benefit obligation	<b>64.16</b>	<b>284.09</b>
Net defined benefit asset	-	-
<b>Total employee benefit liabilities</b>	<b>64.16</b>	<b>284.09</b>
<b>Non-current</b>	<b>60.10</b>	<b>264.15</b>
<b>Current</b>	<b>4.06</b>	<b>19.94</b>

**Defined benefits - Gratuity (Unfunded)**

The Company has a defined benefit gratuity plan. The provisions 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. 10 lakhs on superannuation, resignation, termination, disablement or on death. The maximum ceiling of Rs. 10 lakhs has been recommended for enhancement to Rs. 20 lakhs by the Report of the 3rd Pay Revision Committee appointed by the GOI. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

These defined benefit plans expose the Company to actuarial risks, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity 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**

	<b>Leave Encashment</b>	<b>Gratuity</b>
(a) Balance at the beginning of the year	47.22	238.16
(b) Current service cost	13.93	39.67
(c) Interest cost	3.45	17.39
(d) Actuarial (gains)/ losses recognised in other comprehensive		
- financial assumptions	0.59	2.55
- experience adjustment	0.90	6.75
(e) Benefits paid	(1.92)	(20.42)
<b>(f) Balance at the end of the year</b>	<b>64.16</b>	<b>284.09</b>

**(ii) Expense recognised in Profit or Loss**

	<b>Leave Encashment</b>	<b>Gratuity</b>
(a) Current service cost	13.93	39.67
(b) Interest cost	3.45	17.39
<b>Amount charged to Profit or Loss</b>	<b>17.37</b>	<b>57.05</b>

**(iii) Remeasurements recognised in Other Comprehensive Income**

	<b>Leave Encashment</b>	<b>Gratuity</b>
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- demographic assumptions	-	-
- financial assumptions	-	2.55
- experience adjustment	-	6.75
(b) Actual return on plan asset less interest on plan asset	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>-</b>	<b>9.30</b>

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

	<b>For the year ended 31.03.2023</b>	<b>For the year ended 31.03.2023</b>
<b>(iv) Reconciliation of present value of plan assets</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
(a) Balance at the beginning of the year	-	-
(b) Investment Income	-	-
(c) Return on Plan Assets, excluding amount recognised in Net	-	-
(d) Contributions by the employer	1.92	20.42
(e) Benefits paid	(1.92)	(20.42)
<b>(f) Balance at the end of the year</b>	<b>-</b>	<b>-</b>

<b>(v) Actuarial assumptions</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
Discount rate (in %)	7.20%	7.20%
Expected rate of salary increase (in %)	5.00%	5.00%
Retirement age (years)	58	58
Average future service (years)	21	21

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

<b>(vi) Sensitivity analysis</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
Defined benefit obligation on discount rate plus 100 basis points	58.64	260.19
Defined benefit obligation on salary growth rate plus 100 basis points	71.18	312.75
Defined benefit obligation on attrition rate plus 50 basis points	65.35	287.79
Defined benefit obligation on mortality rate plus 50 basis points	64.34	284.82
Defined benefit obligation on discount rate minus 100 basis points	70.61	311.70
Defined benefit obligation on salary growth rate minus 100 basis points	58.08	258.92
Defined benefit obligation on attrition rate minus 50 basis points	62.82	279.88
Defined benefit obligation on mortality rate minus 50 basis points	63.98	283.34

<b>(vii) Weighted average duration of defined benefit obligation (based on discounted cash flow)</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
In years	10	10

<b>(viii) Maturity profile of defined benefit obligation (valued on undiscounted basis)</b>	<b>Leave Encashment</b>	<b>Gratuity</b>
Within the next 12 months	4.06	19.94
Between 1 and 5 years	18.89	87.87
Between 5 and 10 years	28.39	139.71
More than 10 years	98.82	385.97

### 32 Related Party Disclosures

#### **Key Management Personnel (KMP)**

Mr. Deepak Kumar Agarwal  
Mr. Ramabatar Agarwal  
Mr. Sanjay Kumar Chowdhary (till 14th Feb. 2023)  
Mr. Chandan Kumar Khurana (from 6th Jan. 2023)  
Mr. Ajit Kumar Nath (till 6th Jan. 2023)  
Mrs. Priyanka Goenka  
Mr. Ashok Kumar Sharma  
Mrs. Swati Agarwala  
Mr. Ashutosh Sharma  
Mr. Binod Kumar Agarwal

#### **Nature of Relationship**

Managing Director  
Executive Director  
Whole Time Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director  
Relative of KMP  
Company Secretary  
Chief Financial Officer

#### **A private company in which a director or manager or his relative is a member or director**

JDL Stock Broking Services Private Limited  
Krishna Sudama Marketing Private Limited  
Lakeview Dealtrades Private Limited  
Maa Sherawali Iron Industries Private Limited  
Matrivani Impex Private Limited  
MHS Sahny Engineers Private Limited  
Nilgiri Vyapaar Private Limited  
Premdeep Vatika Private Limited  
PRH Resources Private Limited  
Procon Leasing And Properties Private Limited  
Prominent Infratech Private Limited  
Real Coke Private Limited  
Real Success Trading Private Limited  
Ruby Dealers Private Limited  
Scorpio Marketing Private Limited  
Shakambhari Tie Up Private Limited  
Shakambhari Agrotech Private Limited  
Shivkripa Commercial Private Limited  
Shivratri Vyapaar Private Limited  
Sparkling Star Infradev Private Limited

Starwise Vincom Private Limited  
Swapno Marketing Private Limited  
Tanzil Buildcon Private Limited  
A.T. Trade Overseas Private Limited  
Aahna Properties Private Limited  
Action Tie Up Private Limited  
Anirdesh Complex Private Limited  
Anirdesh Vintrade Private Limited  
Arcade Steel Private Limited  
Aryavrat Niwas Consultants Private Limited  
Aryavrat Plot Managers Private Limited  
Bengal Alloys & Melters Private Limited  
Bravo Sponge Iron Private Limited  
CRS Enterprises Private Limited  
Dv Re-Rolling Mills Private Limited  
Eloquent Steel Iron Private Limited  
Eloquent Steel Private Limited  
Infratex Commercial Private Limited  
Janak Vanijya Private Limited  
Starcon Steel Trading Private Limited

#### **Enterprises significantly influenced by key management personnel**

Aahna Housing Private Limited  
Shakambhari Ispat & Power Limited  
Elegant Care Foundation

#### **A firm, in which a director, manager or his relative is a partner**

City Infrapark LLP

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

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

<b>Nature of transaction</b>	<b>Name of related party</b>	<b>Transaction for the year ended 31-03-2023</b>
Purchase of Goods	Shakambhari Ispat & Power Ltd. Bravo Sponge Iron Pvt. Ltd. Eloquent Steel Pvt. Ltd. Shivratri Vyapaar Pvt.Ltd. Shivkripa Commercial Pvt. Ltd. CRS enterprise Pvt Ltd Starcon Steel Trading Pvt Ltd	76,045.20 23,651.74 3,382.73 1,620.98 1,443.45 17.54 40.78
Sale of Goods	Shakambhari Ispat & Power Ltd. Bravo Sponge Iron Pvt. Ltd. Eloquent Steel Pvt. Ltd.	19,456.95 1,532.32 5,209.95
Director Remuneration	Mr. Deepak Kumar Agarwal Mr. Sanjay Kumar Chowdhary	34.00 5.25
Director Sitting Fees	Mrs. Priyanka Goenka Mr. Ajit Kumar Nath Mr. Ashok Kumar Sharma	2.10 0.51 1.05
Rent	Eloquent Steel Iron Pvt Ltd Starcon Steel Trading Pvt Ltd	47.44 28.32
Royalty Paid	Shakambhari Ispat & Power Ltd Matrivani Impex Pvt Ltd	5.00 12.45
CSR Contribution	Elegant Care Foundation	30.80
Royalty Received	Shakambhari Ispat & Power Ltd	5.00
Unsecured Loan & Advances Given	Eloquent Steel Iron Pvt Ltd Krishna Sudama Marketing Pvt Ltd Starcon Steel Trading Pvt Ltd	325.00 38.50 20.78
Unsecured Loan & Advances Repaid	Eloquent Steel Iron Pvt Ltd Bravo Sponge Iron Pvt Ltd Krishna Sudama Marketing Pvt Ltd Starcon Steel Trading Pvt Ltd Matrivani Impex Pvt Ltd	1,190.00 25.00 38.50 174.98 50.64
Loans Received	Shivkripa Commercial Pvt Ltd Shivratri Vyapar Pvt Ltd	3,550.00 750.00
Share Alloted Aqainst Application Earlier	Shivkripa Commercial Pvt Ltd Shivratri Vyapar Pvt Ltd	800.00 800.00

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**Outstanding balances:**

<b>Name of related party</b>	<b>Balance as 31-03-2023</b>
<b>Trade Payable</b>	
Shivratri Vyapaar Pvt.Ltd.	35.98
Shivkripa Commercial Pvt. Ltd.	26.83
Starcon Steel Trading Pvt Ltd	2,709.25
<b>Loans &amp; Advances Given</b>	
Matrivani Impex Pvt Ltd	114.81
<b>Miscellaneous</b>	
Eloquent Steel Iron Pvt Ltd( Security Deposit)	70.00
<b>Guarantees given by</b>	
Starwise Vincom Private Limited	1.00
Shakambhari Tie Up Private Limited	9,009.00
Krishna Sudama Marketing Private Limited	2,557.00
BMS Sales Private Limited	8,241.00
Mr. Deepak Kumar Agarwal	2,365.00
Mr. Ramabatar Agarwal	92.00
Mrs. Swati Agarwala	754.00
<b>Director Fees/ Sitting Fees outstanding</b>	
Mr. Sanjay Kumar Chowdhary	3.58
Mr. Ajit Kumar Nath	0.46
Mr. Ashok Kumar Sharma	0.95

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 from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions during the financial year.

**33 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.

(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, and arises principally from the Company receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

**Credit risk management**

**(a) Trade Receivable :** Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limit based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit rating, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In addition, small customers are grouped into homogeneous groups and assessed for impairment collectively. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

**Reconciliation of loss allowance provision - Trade receivable are as follows:**

Particulars	Year Ended 31-03-2023
Loss allowance at the beginning of the year	6,436.86
Change in allowance during the year	4,255.32
Loss allowance at the end of the year	10,692.18

(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, finding 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.

**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.

Particulars	Less than 1 year	1-5 years	> 5 years	Total
<b>As at 31st March 2023</b>				
Borrowings	10,961.52	22,029.24	-	32,990.76
Trade payables	11,405.80	-	-	11,405.80
Other financial liabilities	-	-	-	-
	<b>22,367.32</b>	<b>22,029.24</b>	<b>-</b>	<b>44,396.56</b>

(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	31st March 2023
<b>Fixed rate instruments</b>	
Financial assets	624.83
Financial liabilities	-
<b>Variable rate instruments</b>	
Financial assets	-
Financial liabilities	32,990.76



### Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

#### (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 group 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:

Liabilities	31st March 2023
USD	40,11,556.64
Others	-
<b>Total</b>	<b>40,11,556.64</b>
Assets	31st March 2023
USD	71,249.99
Others	-
<b>Total</b>	<b>71,249.99</b>

### 34 Capital management (Ind AS 1)

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.

### 35 Financial instruments and related disclosures

#### 35.1 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.

**SPS STEELS ROLLING MILLS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)**

**Amount in Rs. Lakhs**

**35.2 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.

	Note No.	As at 31st March 2023	
		Carrying amount	Fair value
			Level 3
<b>A. Financial assets:</b>			
<b>a) Measured at amortised cost</b>			
Other financial assets	4(b) (c)	897.53	-
Cash and cash equivalents	9	2,709.54	-
<b>b) Measured at fair value through other comprehensive income</b>			
Investments	4(a)	97.42	97.42
<b>B. Financial liabilities:</b>			
<b>a) Measured at amortised cost</b>			
Borrowings	13(a) (b)	32,990.76	-
Trade payables	15	11,405.80	-
<b>36 CSR Disclosures</b>			
Amount required to be spent by the company during the year			58.70
Amount of expenditure incurred			67.77
<b>Nature of CSR activities:</b>			
Eradicating hunger, poverty and malnutrition; Promoting education; Ensuring environmental sustainability; protection of flora and fauna; Training to promote rural sports; Rural development projects; COVID Related Expenses			
Out of the CSR expenses, Rs.30.80 lakhs (Previous Year Rs. 20 lakhs) contributed to Elegant Care Foundation, which is a related party (Refer Note 32).			
<b>37</b>	The Company has applied for the Provident Fund and E.S.I. registrations for its Unit-2 at Purulia on 27.12.2022, which is yet to be allotted by the respective authorities. The Company shall deduct and deposit the liabilities under the respective statutes after getting the said registrations.		

**38 Income Tax**

Income Tax Recognised in Profit & Loss :-

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

SPS STEELS ROLLING MILLS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31st March 2023 (Continued)

Amount in Rs. Lakhs

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

Particulars	Year ended 31.03.2023
Profit before tax	15,055.66
Applicable Tax Rate (%)	25.17
Income tax expense	3,789.21
Tax Effect of:	
Allowable Expenses	(1,319.07)
Expenses disallowed	1,818.75
	4,288.89
Adjustment:	
Tax set-off on B/F loss	4,288.89
<b>Current Tax Provisions (A)</b>	-
Recognition of Deferred Tax Assets (As per Note 26)	(1,509.51)
<b>Deferred Tax Provisions (B)</b>	(1,509.51)
<b>Tax Expenses recognised in Profit &amp; Loss (A+B)</b>	(1,509.51)

39 Financial Ratios	As at 31st March, 2023	
<b>i) Current Ratio</b>		
Current Assets	56,154.93	
Current Liability	30,641.00	1.83
<b>ii) Debt - Equity Ratio</b>		
Shareholders Equity	32,990.76	
	49,483.00	0.67:1
<b>iii) Debt Service Coverage Ratio</b>		
Earnings available for debt services	20,545.73	
Debt Services	9,295.53	2.21
<b>iv) Return on Equity Ratio</b>		
Net Profit after tax	16,565.17	
Shareholders Equity	49,483.00	33.48%
<b>v) Inventory Turnover Ratio</b>		
Sales	1,82,800.34	
Inventory	19,650.54	9.30
<b>vi) Trade Receivables Turnover Ratio</b>		
Sales	1,82,800.34	
Trade Receivables	19,906.89	9.18
<b>vii) Trade Payables Turnover Ratio</b>		
Net Credit Purchases	1,38,316.89	
Trade Payables	11,405.80	12.13
<b>viii) Net Capital Turnover Ratio</b>		
Revenue from Operations	1,82,800.34	
Working Capital	25,513.93	7.16
<b>ix) Net Profit Ratio</b>		
Net Profit	16,565.17	
Revenue from Operations	1,82,800.34	9.06%
<b>x) Return on Capital employed</b>		
EBIT	18,053.60	
Capital Employed	52,394.52	34.46%
<b>xi) Return on investment</b>		
Income generated from Investments	(2.58)	
Time weighted average Investments	100.00	-2.58%

**40 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013**

- (i) The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- (ii) The group does not have any transactions with companies struck off.
- (iii) The group 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 group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The group 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 group shall:
- (a) directly or indirectly lend 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 group has not any such transaction which is not recorded in the books of accounts that 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 group 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 group with banks and financial institutions are in agreement with the books of accounts.
- (ix) The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (x) The group has complied with the number of layers prescribed under the Companies Act, 2013.
- (xi) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**As per our Report Annexed**  
**For V.SINGHI & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 311017E

**(Sunil Singhi)**  
**Partner**  
**Membership No. 060854**

**For and on behalf of the Board**

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Ashok Kumar Sharma**  
Director  
DIN : 09273096

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary

**Place: Kolkata**  
**Date: 30.05.2023.**

# SPS Steels Rolling Mills Limited

**Regd. Office:** - "Diamond Prestige", 41 A, A.J.C Bose Road, 7<sup>th</sup> Floor, Kolkata-700017 **Website-**  
[www.spsgroup.co.in](http://www.spsgroup.co.in), **E-Mail:** [compliance@shakambhargroup.in](mailto:compliance@shakambhargroup.in),  
**Phone:** 033-6625 5252 **CIN** - L51909WB198111PLC034409

## Form No. MGT-11 Proxy form

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

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 41<sup>st</sup> Annual General Meeting of **SPS Steels Rolling Mills Limited** will be held on Thursday, August 31, 2023 at 3:30 P.M at the Registered Office of the Company at Diamond Prestige, 41 A A.J.C Bose Road, 7<sup>th</sup> 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
	<b>Ordinary Resolutions</b>		
1.	To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the reports of Auditors thereon and Board of Director.		
2.	To re-appoint Mr. Deepak Kumar Agarwal as a Director, liable to retire by rotation		
	<b>Special Resolutions</b>		
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 2023-24.		

4.	Payment of remuneration to Non-Executive Directors (including Independent Directors) of the Company		
5.	Appointment of Mr. Pranab Sarkar (DIN 10195531) as an Independent Director		
6.	Appointment of Mr. Vikrant Ranjan as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation		
7.	To approve material related party transaction(s) with Shakambhari Ispat & Power Limited for the F.Y 2023-24		
8.	To approve material related party transaction(s) with Shakambhari Ispat & Power Limited for the F.Y 2024-25		
9.	To approve material related party transaction(s) with Bravo Sponge Iron Private Limited for the F.Y 2023-24		
10.	To approve material related party transaction(s) with Bravo Sponge Iron Private Limited for the F.Y 2024-25		
11.	To approve material related party transaction(s) with Eloquent Steel Private Limited for the F.Y 2023-24		
12.	To approve material related party transaction(s) with Eloquent Steel Private Limited for the F.Y 2024-25		

\* 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, 7<sup>th</sup> Floor, Kolkata-700017**

**Website- [www.spsgroup.co.in](http://www.spsgroup.co.in), E-Mail: [compliance@shakambharigroup.in](mailto: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 41<sup>st</sup> Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Thursday, August 31, 2023 at 3:30 P.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

<b>DP ID :</b>		<b>CLIENT ID :</b>	
<b>NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)</b>		<b>FOLIO NO.</b>	

SIGNATURE OF THE SHARE HOLDER OR PROXY: \_\_\_\_\_

-----X-----X-----X-----

<b>EVEN (Electronic Number)</b>	<b>Voting Event</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>

**Note:** E-voting period: August 28<sup>th</sup>, 2023 at 9:00 A.M IST and ends on August 30<sup>th</sup>, 2023 at 05:00 P.M. IST.

If you have any query regarding e-voting Password/PIN, please contact at [evoting@nsdl.co.in](mailto: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.