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# 40<sup>th</sup> Annual Report 2021-22

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**SPS Steels Rolling Mills Limited**



**Board of Directors:**

Mr. Deepak Kumar Agarwal  
Mr. Ramabatar Agarwal  
Mr. Sanjay Kumar Chowdhary  
Mrs. Priyanka Goenka  
Mr. Ajit Kumar Nath  
Mr. Ashok Kumar Sharma

Managing Director  
Executive Director  
Executive Director  
Independent Director  
Independent Director  
Independent Director

**Chief Financial Officer**

Mr. Binod Kumar Agarwal

**Company Secretary**

Mr. Ashutosh Sharma

**Statutory Auditors**

M/s. Uttam Agarwal & Associates  
Chartered Accountants,  
72, Cotton Street, 2<sup>nd</sup> Floor  
Kolkata – 700007

**Cost Auditors**

M/S. B.G. Chowdhury & Co, Cost Accountants,  
11/47A Panditia Road, Kolkata-700028

**Secretarial Auditors**

Mr. Mayank Daga, Practicing Company Secretary  
106, K C S Road, Ganges Garden Block B-7,  
1st Floor E Type Shibpur, Howrah- 711102

**Internal Auditors**

M/s. Baker Tilly DHC Advisory LLP  
42, Free Press House, 215, Nariman Point  
Mumbai- 400021

**Bankers**

Punjab National Bank  
Indian Bank  
Canara Bank  
State Bank of India

**Registered Office:**

“Diamond Prestige”  
41 A, A.J.C Bose Road  
7<sup>th</sup> Floor, Room No 701  
Kolkata-700001  
Telefax- 033-6625 5252  
Website- [www.spsgroup.co.in](http://www.spsgroup.co.in)  
Email- [compliance@shakambharigroup.in](mailto:compliance@shakambharigroup.in)  
CIN- L51909WB198111PLC034409

**Works****Unit I-**

Dr. Zakir Hussain Avenue,  
G.T Road (Indo American More)  
Durgapur, Dist. West Bengal-713206

**Unit II-**

Vill; Poradiha, P.S: Santuri,  
District- Purulia,  
West Bengal 722153

**Registrar & Share Transfer Agent**

M/S. Niche Technologies Pvt. Ltd.  
3A, Auckland Place, 7th Floor, Room No. 7A & 7B  
Kolkata-700017, West Bengal,  
Tele- 033-2280-6616, 033-2280-6617  
Website- <https://nichetechpl.com/>  
Email- [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Saturday, the 30<sup>th</sup> day of July, 2022 at 10.30 A.M at the Registered Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7<sup>th</sup> Floor, Room No.701, Kolkata-700017 to transact the following business:

**ORDINARY BUSINESS:**

**Item No 1. Adoption of Audited Financial Statements.**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Directors' and Auditors' thereon.

**Item No 2. Re-Appointment of Director.**

To appoint a Director in place of Mr. Ramabatar Agarwal (DIN 02930064) who retires by rotation and being eligible, offers himself for re-appointment.

**Item No 3. To appoint M/s. V. Singhi & Associates, Chartered Accountants as Statutory Auditors from the conclusion of 40<sup>th</sup> Annual General Meeting until the conclusion of the 45<sup>th</sup> Annual General Meeting and to fix their remuneration:**

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 Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Audit & Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. V. Singhi & Associates, Chartered Accountants (Firm Registration No. 311017E) be and is hereby appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 40<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> July , 2022 , till the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 (subject to ratification of their appointment at every AGM if so required under the Act) at such remuneration plus applicable taxes, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors or Audit Committee thereof, be and are hereby severally authorised to decide and finalised the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

**SPECIAL BUSINESS:**

**Item no. 4. INCREASE IN REMUNERATION OF MR. DEEPAK KUMAR AGARWAL (DIN: 00646153), MANAGING DIRECTOR OF THE COMPANY.**

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

**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee, and Pursuant to the provisions of Sections 196, 197,198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Schedule V of the Said Act and such other approval, permission and sanctions of such authorities and or agencies as may be required in this regards and subject to the provision of Article of Association of the company approval/ratification of the shareholders be and is hereby accorded for revision in the remuneration of Mr. Deepak Kumar Agarwal [DIN: 00646153], Managing Director of the Company, from Rs. 2,00,000/- per months to Rs 3,00,000/- per months, effective from 01-06-2022 for a period of 2 years, with all other terms and conditions remain same as per the Agreement dated 22<sup>nd</sup> July, 2019.

**“RESOLVED FURTHER THAT** the overall managerial remuneration payable to Mr. Deepak Kumar Agarwal shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee and Audit Committee, but not exceeding Rs. 2.00cr at any point of time and that the terms and condition of the aforesaid remuneration payable to the said Managing Director be varied /altered/revised within said overall limit in such manner as may be required during aforesaid remaining period of 2 years.”

**“RESOLVED FURTHER THAT** where in any Financial year during the tenure of the said Managing Director, the company has no profits or profits are inadequate the aforesaid remuneration or remunerations as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.”

**“RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the company, be and is hereby authorized to sign and file necessary forms and to do all such acts, agreement deeds, matters and things as may be necessary in this connection.”

**Item No 5. TO RE-APPOINT MR. SANJAY KUMAR CHOWDHARY (DIN-08402623) AS A WHOLE TIME DIRECTOR OF THE COMPANY AND FIXING ITS REMUNERATION.**

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

**“RESOLVED** that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Company be and is hereby accorded for re- appointment of Mr. Sanjay Kumar Chowdhary (DIN-08402623) as Whole Time Director of the Company for a further period of 5 (five) years with effect from 18<sup>th</sup> May, 2023 to 17<sup>th</sup> May, 2028 and payment of remuneration to Mr. Sanjay Kumar Chowdhary (DIN-08402623 as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be executed between the Company and Mr. Mr. Sanjay Kumar Chowdhary, submitted to this meeting. The said agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits as approved by the shareholders, in such manner as the Board may deem fit and agreed to by Mr. Sanjay Kumar Chowdhary.”

**“RESOLVED FURTHER THAT** where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration for the period of 5 (Five) years with effect from 18<sup>th</sup> May, 2023 to 17<sup>th</sup> May, 2028.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be

considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

**Item No 6. APPROVAL FOR RELATED PARTY TRANSACTIONS.**

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

**“RESOLVED** that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd, Shivratri Vyapaar Pvt Ltd, S P S Metal Cast & Alloys Limited and other related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase and Sale of raw material and finished product, trading purpose, and any other related party transaction on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs 50,000,000,000/- (Rupees Five Thousand Crores Only) for the financial year 2022-23, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried if any out shall be at arm’s length basis and in the ordinary course of business of the Company.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**Item No 7. AUTHORITY TO GIVE LOANS AND MAKE INVESTMENTS.**

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

**“RESOLVED THAT** in supersession of all earlier resolutions passed on this matter and pursuant to the provisions of Section 185 and 186 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in terms of the provisions of the Company’s Memorandum and Articles of Association, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee thereof) to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any further investments/acquisition by way of subscription, purchase or otherwise, the securities, Mutual Fund (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate, up to an amount of Rs. 50,000,000,000/- (Rupees Five Thousand Crores Only) over and above the limits available to the Company of 60% (Sixty Percent) of its paid up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and

matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s) of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members.

**Item No 8. INCREASE IN BORROWING LIMITS FROM RS 1,000 CRORES TO RS 5,000 CRORES OR THE AGGREGATE OF THE PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY, WHICHEVER IS HIGH[ER.]**

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

**“RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company in this matter and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs 50,000,000,000/- (Rupees Five Thousand Crores Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any one of the directors of the Company or the Company Secretary, be and is hereby authorized to take all necessary steps and do all necessary things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things as it may in its absolute discretion deem fit. ”

**Item No 9. CREATION OF CHARGES, MORTGAGES, HYPOTHECATION ON THE IMMOVABLE AND MOVABLE PROPERTIES OF THE COMPANY UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013.**

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

**“RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, consent of the members of the Company be and is hereby accorded by way of a special resolution to the Board of Directors (“Board”) of the Company to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating (in addition to any other hypothecation, pledge, lien, mortgage, charges created/to be created by the Company), in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, and the whole or substantially the whole of the undertaking(s) or any properties of the Company where so ever situated, in favour of banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the “Lenders”) to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party from time to time (including without limitation, the due payment of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest,

accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the "Financial Indebtedness") in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed Rupees 50,00,00,00,000 Crores (Rupees Five Thousand Crores) at any time."

**"RESOLVED FURTHER THAT** the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified."

**"RESOLVED FURTHER THAT** the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

**Item No 10: ALTERATION/ DELETION OF ARTICLE 1 (A) AND ARTICLE 76 OF THE ARTICLE OF ASSOCIATION.**

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 9 and Section 14 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder as amended from time to time, the consent of the shareholders be and is hereby accorded for altering the Articles of Association of the Company by way of deletion of the following Regulations of the Articles of Association which is as under:-

**i) INTERPRETATION**

Regulation I (1) (b) "The Seal" means the Common Seal of the company.

**ii) THE SEAL**

Regulation 76 : (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and are hereby severally authorized to file all the necessary forms and other necessary documents as may be required by the statutory authorities including the Registrar of Companies (ROC) and to do such acts, deeds and things that may be required for the purpose of alteration of Articles of Association of the



## ***SPS Steels Rolling Mills Limited***

Company that may be suggested by the Registrar of Companies or such other statutory authorities in the implementation of the aforesaid resolutions and to authorize such person or persons to give effect to the above resolutions and to submit all documents to the concerned authorities with regard to the same and to take all the necessary steps in this regard.”

### **Item No 11: TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY:**

To consider & if thought fit, to pass, with or without modification(s), following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 61 read with Section 64 of the Companies Act, 2013 and Companies (Share Capital & Debentures) Rules, 2014, and any other applicable provisions of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company 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.”

**“RESOLVED FURTHER THAT** any one director of the Company be and is hereby authorized to file Form-SH-7 with the Registrar of Companies, West Bengal, and to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution.”

### **Item No 12: ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION**

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded for substituting, the existing clause lviii of the Memorandum of Association of the Company by the following new clause:

The Authorised Share Capital of the Company is 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, with the power to increase and reduce the capital of the company and to divide or sub-divide the shares in capital for time being into several classes and to attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Article of the company for the time being and to modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the company for the time being.”

### **Item No 13: ISSUE OF EQUITY SHARES ON A PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT BASIS**

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

**“RESOLVED THAT** pursuant to: (i) 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 (collectively, the “CA 2013”); and in accordance with the provisions of the Memorandum and Articles of Association of the Company (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended (“ICDR Regulations”); iii) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015, (iv) any other rules / regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, stock exchange and/or any other statutory / regulatory authority; (v) the Listing Regulations entered into by the Company with the stock exchange, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to create, issue, offer and allot 3,05,00,000 (Three Crore Five Lac Only) equity shares of the Company of the face value of `10 (Rupees Ten) each (“Equity Shares”) on preferential allotment/private placement basis, at a price of Rs 40/- (Rupees Forty ) (including a premium of Rs 30 (Rupees Thirty Only ) per Equity Share aggregating to Rs 122,00,00,000 (Rupees One Hundred and Twenty Two Crores only) in accordance with ICDR Regulations, to the following subscribers:

**“RESOLVED FURTHER THAT** in accordance with the provisions of ICDR Regulations, the “Relevant Date” for the purpose of determination of the price of the Equity Shares to be issued and allotted as above shall be June 30, 2022, being the date falling 30 (thirty) days prior to the date of this Annual General Meeting being held on 30<sup>th</sup> day of July 2022 to approve this offer.”

**RESOLVED FURTHER** that without prejudice to the generality of the above resolution, the issue of the Equity Shares to Investors under the Preferential Allotment shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- i. The Equity Shares shall be issued and allotted by the Company in the dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, subject to receipt of share application money (in full) and approval or permission from stock exchanges and regulatory authorities If any and the provisions of the Memorandum and Articles of Association of the Company. In case of any delay in receipt of approvals from any regulatory authorities the period of 15 days will be reckoned from the date of receipt of approval.
- ii. The Equity Shares to be offered, issued and allotted shall rank pari-passu with the existing Equity Shares of the Company in all respects including the payment of dividend and voting rights, if any;

- iii. The Equity Shares to be allotted shall be subject to lock-in restrictions as specified in the provisions of Chapter V of SEBI ICDR Regulations 2018. Further, the pre-preferential allotment shareholding of the proposed allottees, if any, shall also be subject to the lock-in restrictions in terms of the said Regulations.
- iv. 100% of the Preferential Allotment/Private Placement Price shall be payable at the time of application to the Equity Shares. Provided, if any of the Investor fails to apply within the stipulated time to the full extent of their eligibility or is found not eligible for the Preferential Allotment pursuant to any statutory or regulatory restrictions imposed, the Company shall allot the shares to the Investors up to the extent of their eligible applications received.
- v. The Equity Shares so offered, issued and allotted will be listed Calcutta Stock Exchange where the Equity Shares of the Company are listed, subject to the receipt of necessary permissions and approvals, as the case may be.

**“RESOLVED FURTHER THAT** the Company hereby takes note of the certificate from the statutory auditors of the Company and /or practicing Company Secretaries certifying that the above issue of the Equity Shares is being made in accordance with the ICDR Regulations.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of the CA 2013, the names of the Subscribers be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Subscribers inviting the Subscribers to subscribe to the Equity Shares, as per the draft tabled at the Meeting and duly initialed by the Chairman for the purpose of identification and consent of the Company is hereby accorded to the issuance of the same to the Subscribers inviting the Subscribers to subscribe to the Equity Shares.”

**“RESOLVED FURTHER THAT** the monies received by the Company from the Subscriber for application of the Equity Shares pursuant to this private placement shall be kept by the Company in a separate bank account opened by the Company and shall be utilized by the Company in accordance with Section 42 of the CA 2013.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the offer, issue, allotment of the Equity Shares, Mr. Deepak Kumar Agarwal, Managing Director , Mr Sanjay Kumar Chowdhary, Whole Time Director and Mr Ramabatar Agarwal Executive Director of the Company, be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary and desirable for such purpose, including without limitation, preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance of the Equity Shares, as may be required, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modifications, changes, variation, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the Equity Shares and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to engage depositories, registrars, stabilizing agent, bankers, and

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other consultants and advisors to the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required and as permitted by law.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.”

**Item No 14. RATIFICATION OF REMUNERATION OF M/S SOHAN LAL JALAN & ASSOCIATES, COST ACCOUNTANTS IN PRACTICE (FIRM REGISTRATION NO.: 000521), COST AUDITOR OF THE COMPANY, FOR THE FINANCIAL YEAR 2022-23.**

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 other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company hereby ratifies the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only), plus applicable taxes and re-imbursement of out-of-pocket expenses, as approved by the Board of Directors and payable to M/s Sohan Lal Jalan & Associates, Cost Accountants in Practice **(Firm Registration No.000521)**, who are appointed as the Cost Auditors of the Company to conduct audit of the cost records maintained by the Company for the Financial Year ending 31 March,2023.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

By Order of the Board  
**For SPS Steels Rolling Mills Limited**

Ashutosh Sharma  
Company Secretary  
(M.No: F9025)

Date: 05-07-2022  
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. The Explanatory Statement pursuant to Section 102 of the Act, setting out details relating to Special Businesses to be transacted at the Meeting, 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. Pursuant to 'Green Initiative' Circular No. 17/2011 issued by the Ministry of Corporate Affairs, read along with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020, read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May, 13, 2022 the Company effected electronic delivery this Notice of the AGM and the Annual Report 2021-22 to those shareholders whose email- ids were registered with the respective Depository Participants, Company and down-loadable from the depositories viz., NSDL/CDSL. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The Notice convening the 40th AGM and the Annual Report 2021-22 has been uploaded on the website of the Company at [www.spsgroup.co.in](http://www.spsgroup.co.in).
8. Mr. Mayank Daga, Practicing company secretary (M.No 41279 & C.P No 16509) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
9. The Company's Registrar and Transfer Agent ('RTA') is M/S. Niche Technologies Pvt. Ltd, having office at 3A, Auckland Place, 7th Floor, Room No. 7A & 7B Kolkata-700017.
10. The Register of Members and Share Transfer Books of the Company will remain closed from, 25th July, 2022 to 30th July, 2022 (both days inclusive).
11. The Members are requested to:
  - a) Intimate change in their registered address, if any, to the Company's RTA in respect of their holdings in physical form.

***SPS Steels Rolling Mills Limited***

- b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - c) Non-Resident Indian Members are requested to inform RTA for shares held in physical form or their Depository Participant for shares held in Demat form, as the case may be, immediately of the change in residential status on return to India for permanent settlement.
  - d) Register their e-mail address and changes therein from time to time with RTA for shares held in physical form and with their respective Depository Participants for shares held in Demat form.
12. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in Demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and other details to the RTA of the Company.
13. In accordance with the amendments to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the SEBI has revised the provisions relating to transfer of listed securities and has mandated that the requests for transfer of listed securities shall not be processed unless the securities are held in dematerialized form with the Depositories with effect from 1 April 2019. Thus, the member holding shares in physical form if any are requested to dematerialize their shareholding to avoid inconvenience.
14. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their Shareholding, maintained under section 170 of the Act and the Register of Contracts or Arrangements, in which directors are interested, maintained under section 189 of the Act, can send an e-mail to [compliance@shakambhargroup.in](mailto:compliance@shakambhargroup.in).
15. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulations 26 and 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) are attached to this Notice.
16. Members who wish to inspect any documents referred to in the accompanying Notice and the Explanatory Statement, up to and including the date of the AGM of the Company, can send an e-mail to [compliance@shakambhargroup.in](mailto:compliance@shakambhargroup.in).
17. Members may also note that the Notice of the 40<sup>th</sup> AGM and the Annual Report for the Financial Year 2021-22 will also be available on the Company's website [www.spsgroup.co.in](http://www.spsgroup.co.in) for download.
18. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company, electronically.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the

## ***SPS Steels Rolling Mills Limited***

members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).

20. Members desiring any relevant information on the annual accounts of the company are requested to write to the company well in advance to ensure that such requests reach the company at least 10(Ten) days before the Annual General Meeting, so as to enable the Company to keep the information ready.

21. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
  - II. The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.
  - III. The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or website of the company <https://www.spsgroup.co.in>.
  - IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
  - V. The remote e-voting period commences on Wednesday, 27 July, 2022 (10:00 a.m., IST) and ends on Friday, 29 July, 2022 (5:00 p.m., IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Saturday, 23 July, 2022, may cast their vote by remote e-voting in the manner and process set out herein below. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - VI. The facility for voting through ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper along with the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
- A. The process and manner for remote e-voting and e-voting during the AGM are asunder:

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

The remote e-voting period begins on Wednesday, 27 July, 2022 (10:00 a.m., IST) and ends on Friday, 29 July, 2022 (5:00 p.m., IST).. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 23 July, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, 23 July, 2022.

**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 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.	<p>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.</p> <p>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></p> <p>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 “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A</p>



	<p>new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <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. 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> <div><p><b>NSDL Mobile App is available on</b></p><div> <b>App Store</b></div><div> <b>Google Play</b></div><div></div><div></div></div>
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>

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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting 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?**

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, 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.*

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***

Password details for shareholders other than Individual shareholders are given below:  
If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

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 Now you are ready for e-Voting as the Voting page opens.
3. 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.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. 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 [csmayankdaga89@gmail.com](mailto:csmayankdaga89@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). and [compliance@shakambhargroup.in](mailto:compliance@shakambhargroup.in).
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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories/ company 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), AADHAR (self attested scanned copy of Aadhar 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), AADHAR (self attested scanned copy of Aadhar 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 terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM**

1. Facility for voting through polling paper shall be made available at the 40<sup>th</sup> Annual General Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the concerned meeting.
2. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The voting rights of Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Company, as on the cut-off date being Saturday 23 July, 2022.
4. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date, i.e., Saturday 23 July, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [compliance@shakambhargroup.in](mailto:compliance@shakambhargroup.in).
5. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
6. The Results declared, along with the Report of the Scrutinizer, shall be placed on the website of the Company [www.spsgroup.co.in](http://www.spsgroup.co.in), Notice Board of the Company at its Registered Office as well as Corporate Office and on the website of NSDL immediately after the declaration of Result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to Calcutta Stock Exchange.

By Order of the Board  
**For SPS Steels Rolling Mills Limited**

Date: 05-07-2022  
Place: Kolkata

Sd/-  
Ashutosh Sharma  
Company Secretary  
(M.no: F9025)

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

As required by Section 102 of the Companies Act, 2013 (the “Act”), and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”) the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 to 14 of the accompanying Notice dated 05-07-2022:

**Item no. 4.**

Shri. Deepak Kumar Agarwal [DIN: 00646153], was appointed as Managing Director for a period of 5 years effective from 22th July, 2019 by the Board of Directors in its meeting held on 22th July, 2019 and his appointment was approved by the shareholders of the company in their Annual General Meeting held on 30<sup>th</sup> day of September, 2019.

Considering the overall growth of the company, under the dynamic leadership of Shri Deepak Kumar Agarwal, as Managing Director and on the recommendation of the Nomination & Remuneration Committee and Audit Committee the Board of Directors of the company at its meeting held on 24-06-2022 has approved the upward revision of Managerial Remuneration of Mr. Deepak Kumar Agarwal, from Rs. 2,00,000/- per months to Rs 3,00,000/- per months, with effective from 01-06-2022 for the remaining terms of 2 years, with all other terms and conditions remain same as per the Agreement 22th July, 2019.

As per section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 the upward revision of remuneration of Mr. Deepak Kumar Agarwal, are within the limit of the provision of the above-mentioned section.

Accordingly, the Board recommends the Special resolution set out at the item no 4 for approval of the members

Except Mr. Deepak Kumar Agarwal, and Mr. Ramabatar Agarwal none of the Directors, Key Managerial Personnel of the Company or their relatives, are in any way related with Mr. Deepak Kumar Agarwal or concerned or interested in the said Resolution.

**Item no. 5.**

The present term of office of Mr. Sanjay Kumar Chowdhary (DIN-08402623) as Whole Time Director of the Company will expire on 17-05-2023. The Board of Directors, upon the recommendations of the Nomination and Remuneration Committee, at their meeting held on 05-07-2022 has subject to the approval of the Shareholders in the ensuing Annual General Meeting re-appointed Mr. Sanjay Kumar Chowdhary (DIN-08402623) as Whole Time Director of the Company for a further period of 5 (five) years with effect from 18<sup>th</sup> May, 2023 to 17<sup>th</sup> May, 2028, on terms and conditions as to the re-appointment and payment of remuneration for a period of 5 (five) years as mentioned below and more particularly mentioned in the draft agreement to be entered into between the Company and Mr. Sanjay Kumar Chowdhary. The Nomination and Remuneration Committee of the Company at their Meeting held on 05-07-2022 approved the terms and conditions of payment of remuneration to Mr. Sanjay Kumar Chowdhary after taking into account the financial position of the Company, trend, his experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution as under:

## ***SPS Steels Rolling Mills Limited***

Salary/Remuneration:- Rs. 50,000 (Per month) per month.

Mr. Sanjay Kumar Chowdhary will also be entitled to certain perquisites/ allowances etc. as contained in the draft agreement.

Accordingly, the Board recommends the Special resolution set out at the item no 5 for approval of the members

None of the Directors, Key Managerial Personnel of the Company or their relatives, are in any way related with Mr. Sanjay Kumar Chowdhary or concerned or interested in the said Resolution.

### **Item no. 6.**

Your Company is engaged in the business of Steel & Iron Specially in manufacture of T.M.T Rod under the Brand Name “Elegant” for which there is high market demand in locally as well as in other states due to its good quality and high durability, for which the key raw material is ferro alloys, pig iron, Iron Ore Sponge Fines, Silico Manganese, Ferro Silicon, Billets, Pellet Sponge, Ferro Manganese, Non- Coking Coal, Ms Pipe and related raw material and etc.

Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd acts as a procurement agency of raw material for SPS Steels Rolling Mills Limited and its related parties. Since Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd , S P S Metal Cast & Alloys Limited are also engaged in the business of Steel & Iron, thus they are the sources of the same commodity for your Company. Therefore, to take advantage of the large volumes at a better negotiated price for its comparatively smaller volume is in the benefit of the company to purchase and sale good and raw material with its related party. Further, Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd and Shivratri Vyapaar Pvt Ltd, S P S Metal Cast & Alloys Limited have good market hold, both regional and in other state, thus they have an edge in selling the finished product manufacture by SPS Steels Rolling Mills Limited at a comparative larger volume and at compatible good pricing.

The value of purchase of raw material and finished product for trading purpose, for sale of finished product for trading purpose and any transactions of as the Board may think fit with Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd, Shivratri Vyapaar Pvt Ltd, S P S Metal Cast & Alloys Limited and other related party as the board may decide from time to time is likely to exceed the said threshold limit, and is expected to be around Rs. Rs 50,000,000,000/- (Rupees Five Thousand Crores Only) during the financial year 2022-23.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through Special resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Accordingly, transaction(s) entered into with Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd, Shivratri Vyapaar Pvt Ltd, S P S Metal Cast & Alloys Limited comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s).

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Shakambhari Ispat & Power Ltd, Bravo Sponge Iron



**SPS Steels Rolling Mills Limited**

Pvt Ltd, Eloquent Steel Pvt Ltd Shivratri Vyapaar Pvt Ltd, S P S Metal Cast & Alloys Limited are as follows:

<b>Sl NO</b>	<b>Particulars</b>	<b>Remarks</b>
1	Name of the Related Party	Shakambhari Ispat & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd Shivratri Vyapaar Pvt Ltd S P S Metal Cast & Alloys Limited Or any other related party as per Section 2(76)
2	Name of the Director or KMP who is related	Deepak Kumar Agarwal
3	Nature, material terms, monetary value and particulars of the contract or arrangement	Contract for purchase of raw material and sale finished product or such other transaction as the Board may decided shall be on a continuous basis.  Monetary value of proposed aggregate transactions during financial year 2022-23 is expected to be Rs 50,000,000,000/- (Rupees Five Thousand Crores Only)
4	Any other information relevant or important for the members to take a decision on the proposed resolution	Ferro alloys, pig iron, Iron Ore Sponge Fines, Silico Manganese, Ferro Silicon, Billets, Pellet Sponge, Ferro Manganese, Non-Coking Coal, Ms Pipe and related raw material needed for production process, available with related party at a market price and justified from economies of scale point of view

The Board of Directors recommends passing of the resolution as set out at item no. 6 of this Notice as a Special Resolution.

Save and except Mr. Deepak Kumar Agarwal and Mr. Ramabatar Agarwal, being the common director in the company, and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 6 of the Notice.



**Item no. 7.**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 185 and 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs 50,000,000,000/- (Rupees Five Thousand Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 7 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 7 of the Notice.

**Item No. 8 & 9:**

With a view to accommodate the need for long term/short term borrowings including working capital requirement for the business the Company, it is proposed to obtain approval of the Members of the Company by way of passing of Special Resolution pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 for increase in the borrowing limit of the Company which shall not exceed Rs 50,000,000,000/- (Rupees Five Thousand Crores Only). The enhanced borrowings of the Company may, if necessary, be secured by way of charge(s), mortgage(s) and/or hypothecation(s) on the Company's movable and/or immovable assets. For the said purpose, the Company seeks the approval of its members by way of passing of Special Resolution pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, for enabling the Board of Directors to create charge(s), mortgage(s) on and/or hypothecation(s) of the movable and/or immovable assets of the Company subject to a total limit of Rs 50,000,000,000/- (Rupees Five Thousand Crores Only)

In view of the requirements of the provisions of the Companies Act, 2013, the resolutions vide Item No.8 & 9 are proposed for the approval of the members of the Company as Special Resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities comprising the interest of Promoters, Directors or Key Managerial Persons, are concerned or interested in the above resolutions.

**Item No 10**

Pursuant to Companies Amendment Act, 2015 use of Common seal has now become optional for companies. Further Company not being a Non-Banking Finance Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities. In view of the same and to facilitate administrative convenience for execution of such documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing the related clauses in AOA. The proposed draft Articles of Association after incorporation of the above-mentioned changes is available for inspection of the shareholders of Company at the registered office of company on all working days (during business hours) upto the date of Annual General Meeting.

Pursuant to Sec 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution. Thus, the Board recommends the resolution set forth in Item no. 10 for the approval of the members as Special Resolution.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Persons, Relatives of Promoters, Directors and Key Managerial Persons or the entities in which the Promoters, Directors or Key Managerial Persons are interested, are concerned or interested, financially or otherwise, in the above resolutions.

**Item No 11 & 12**

At present the Authorised Share Capital of the company is 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) out of which paid up share capital of the company is 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), i.e the company has issued shares to the full extend of its authorised capital.

The Board of directors of the Company in its meeting held on 05-07-2022 have recommended to increase Authorised share capital of the company 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."

As per the provisions of section 13 & 61 of the Companies Act, 2013 approval of the shareholders is required to be accorded for alteration of memorandum of association and for increasing the Authorised Share Capital of the company by way of passing resolution.

Accordingly, the Directors recommend the matter and the resolution set out under Item no. 11 & 12 for the approval of the members as Ordinary resolution..

None of the directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

**Item No 13**

Issue of Equity Shares to the Subscribers on a Preferential Allotment / Private Placement Basis

The Company proposes to make a preferential allotment of equity shares on private placement :

**SPS Steels Rolling Mills Limited**

SR. No.	Details of Subscriber	Number of Equity Shares	Consideration
1	EXPEDITORS DISTRIBUTORS PRIVATE LIMITED (HUMAN TOUCH TRACOM PRIVATE LIMITED), WBIIDC ,Bishnupur, Growth Centre, PS: Bishnupur, Bankura - 722122, CIN-U52190WB2009PTC139989, Pan No- AACCH4725N	1,00,00,000	40,00,00,000
2	CANCON AGENCIES PRIVATE LIMITED (CONSOLIDATED TIE-UP PRIVATE LIMITED), WBIIDC ,Bishnupur, Growth Centre, PS: Bishnupur, Bankura - 722123, CIN- U52190WB2009PTC135525, Pan No- AADCC7091D	1,00,00,000	40,00,00,000
3	SHREE SUDHARSHAN CASTINGS PVT. LTD. 9/12, Lal Bazar, Street E-block, 2nd Floor, Kolkata - 700001 WB. CIN- U27109WB1986PTC040583, Pan No- AADCS9429B	65,00,000	26,00,00,000
4	SHIVRATRI VYAPAAR PRIVATE LIMITED, Lachhmanpur, PO - Ramkanali, PS - Raghunathpur, Purulia -723144, CIN- U52190WB2012PTC173416, Pan No- AARCS0108F	20,00,000	8,00,00,000
5	SHIVKRIPA COMMERCIAL PRIVATE LIMITED, Diamond Prestige, 41A A.J.C Bose Road, 8th Floor, Room No-801, Kolkata - 700017, CIN - U51909WB2011PTC170631, Pan No.- AARCS0104K	20,00,000	8,00,00,000
	TOTAL	3,05,00,000	1,22,00,00,000

(collectively known as “**Subscribers**”), on a private placement basis, which has been approved by the Board of Directors of the Company at its meeting held on 05-07-2022

Approval of the members by way of special resolution is required inter alia in terms of Sections 42 and 62(1)(c) of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (collectively, the “**CA 2013**”) as well as the Securities and Exchange Board of India, as amended (Issue of Capital and Disclosure Requirement) Regulations, 2018 (“**ICDR Regulations**”).

Therefore, in terms of said sections, rules and regulations, consent of the Members is being sought for the issue and allotment of 3,05,00,000 (Three Crore Five Lac Only) equity shares of the Company of the face value of `10 (Rupees Ten) each (“**Equity Shares**”) on preferential allotment/private placement basis, at a price of Rs 40/- (Rupees Forty ) (including a premium of Rs 30 (Rupees Thirty Only ) per Equity Share aggregating to Rs 122,00,00,000 (Rupees One Hundred and Twenty Two Crores only) (“**Equity Shares**”), on a preferential basis to the Subscribers, entitling the Subscribers to subscribe to and be allotted the Equity Shares, not later than 15 (fifteen) days from the date of passing of this special resolution by the members.

## ***SPS Steels Rolling Mills Limited***

In terms of the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid ICDR Regulations, the relevant disclosures / details are given below:

### **Objects of the Preferential Issue:**

To meet general business requirements addressing Working Capital needs as well as expansion of Business activities. Therefore, the Company has proposed the Issue of Shares on Preferential Basis to selected person to meet its capital requirements in due course.

### **The total number of equity shares to be issued**

3,05,00,000 (Three Crore Five Lac Only) equity shares Equity Shares.

### **Terms of Issue of the Equity Shares, if any.**

The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.

### **Relevant Date**

The relevant date as per the ICDR Regulations for the determination of the price per equity share pursuant to the preferential allotment is June, 30, 2022 ("**Relevant Date**") (i.e. 30 days prior to the date of proposed AGM which is 30<sup>th</sup> July 2022, to approve the proposed preferential issue).

### **Pricing of Preferential Issue:**

The price of equity shares to be issued is fixed at price of 40/- (Rupees Forty ) (including a premium of Rs 30 (Rupees Thirty Only )per equity share of `10/- each in accordance with the price determined in terms of Regulation 165 of the ICDR Regulations.

### **Basis on which the price has been arrived at:**

The shares of the Company is listed at Calcutta Stock Exchange as the trading Platform at the stock Exchange if not active therefore the shares of the company are considered as infrequently traded, thus the pricing of the equity shares of the Company are obtained by registered valuers Mr. Vikash Goel (Reg No IBBI/RV/01/2018/10339) which are in accordance with Regulation 165 of the ICDR Regulations.

Accordingly, the price per equity share of Rs 40 /- per equity share as per the certificate of the valuers Mr. Vikash Goel (Reg No IBBI/RV/01/2018/10339)

### **Intention of promoters / directors / key managerial personnel to subscribe to the offer:**

None of the promoters, directors or key managerial personnel intend to subscribe to the proposed issue.

**The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/ or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control**

**SPS Steels Rolling Mills Limited**

<b>No.</b>	<b>Details of Subscriber</b>	<b>Category / Class of Subscriber</b>	<b>Pre Issue % holding</b>	<b>Number of Equity Shares proposed to be allotted</b>	<b>Post Issue % holding</b>	<b>Beneficial Ownership</b>
1	EXPEDITORS DISTRIBUTORS PRIVATE LIMITED (HUMAN TOUCH TRACOM PRIVATE LIMITED), WBIIDC , Bishnupur, Growth Centre, PS: Bishnupur, Bankura - 722122, CIN- U52190WB2009PTC139989, Pan No- AACCH4725N	PUBLIC	-	1,00,00,000	12.42	Chain Holding therefor the provision relating to the rules the Companies (Significant Beneficial Owners) Amendment Rules, 2019, are not applicable
2	CANCON AGENCIES PRIVATE LIMITED (CONSOLIDATED TIE-UP PRIVATE LIMITED), WBIIDC , Bishnupur, Growth Centre, PS: Bishnupur, Bankura - 722123, CIN- U52190WB2009PTC135525, Pan No- AADCC7091D	PUBLIC	-	1,00,00,000	13.17	Chain Holding therefor the provision relating to the rules the Companies (Significant Beneficial Owners) Amendment Rules, 2019, are not applicable
3	SHREE SUDHARSHAN CASTINGS PVT. LTD. 9/12, Lal Bazar, Street E-block, 2nd Floor, Kolkata - 700001 WB. CIN- U27109WB1986PTC040583, Pan No- AADCS9429B	PUBLIC	-	65,00,000	8.07	Chain Holding therefor the provision relating to the rules the Companies (Significant Beneficial Owners) Amendment Rules, 2019, are not applicable

**SPS Steels Rolling Mills Limited**

4	SHIVRATRI VYAPAAR PRIVATE LIMITED, Lachhmanpur, PO - Ramkanali, PS - Raghunathpur, Purulia - 723144, CIN- U52190WB2012PTC173416, Pan No- AARCS0108F	PROMOTER GROUP	-	20,00,000	2.45	1) Deepak Kumar Agarwal 2) Ramabatar Agarwal 3) Swati Agarwala 4) Premlata Devi Agarwal 5) Tanesha Agarwal 6) Mridul Agarwal 7) Deepak Kumar Agarwal (HUF)
5	SHIVKRIPA COMMERCIAL PRIVATE LIMITED, Diamond Prestige, 41A A.J.C Bose Road, 8th Floor, Room No- 801, Kolkata - 700017, CIN - U51909WB2011PTC170631, Pan No.- AARCS0104K	PROMOTER GROUP		20,00,000	2.45	1) Deepak Kumar Agarwal 2) Ramabatar Agarwal 3) Swati Agarwala 4) Premlata Devi Agarwal 5) Tanesha Agarwal 6) Mridul Agarwal 7) Deepak Kumar Agarwal (HUF)

**The pre issue and post issue shareholding pattern of the Company:**

SPS STEELS ROLLING MILLS LIMITED						
			Pre Shareholding Holding		Post shareholding Holding	
SL No	Name of shareholder					
		Category	No of Share	%	No of Share	%
1	ARYAVRAT PLOT MANAGERS PRIVATE LIMITED	Promoter	91,91,406	18.38	91,91,406	11.42
2	BMS SALES PRIVATE LIMITED	Promoter	72,91,342	14.58	72,91,342	9.06
3	KRISHNA SUDAMA	Promoter	30,00,000			3.73

**SPS Steels Rolling Mills Limited**

	MARKETING PRIVATE LIMITED			6.00	30,00,000	
4	SHAKAMBARI TIE UP PVT LTD	Promoter	99,75,000	19.95	99,75,000	12.39
5	SWAPNO MARKETING PRIVATE LIMITED	Promoter	80,00,000	16.00	80,00,000	9.94
6	SHIVRATRI VYAPAAR PRIVATE LIMITED	Promoter Group	-	-	20,00,000	2.48
7	SHIVKRIPA COMMERCIAL PRIVATE LIMITED	Promoter Group	-	-	20,00,000	2.48
	<b>TOTAL</b>		<b>3,74,57,748</b>	<b>74.92</b>	<b>4,14,57,748</b>	<b>51.50</b>
8	ALLAHABAD BANK	Public	26,79,691	5.36	26,79,691	3.33
9	CENTRAL BANK OF INDIA	Public	19,50,202	3.90	19,50,202	2.42
10	INDIAN OVERSEAS BANK	Public	26,50,456	5.30	26,50,456	3.29
11	PUNJAB NATIONAL BANK	Public	19,87,124	3.97	19,87,124	2.47
12	UCO BANK	Public	11,05,519	2.21	11,05,519	1.37
13	UNION BANK OF INDIA	Public	9,17,105	1.83	9,17,105	1.14
14	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED FOR AND ON BEHALF OF EARC TRUST SC-148	Public	1,78,708	0.36	1,78,708	0.22
15	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED FOR AND ON BEHALF OF EARC TRUST SC-19	Public	3,73,490	0.75	3,73,490	0.46
16	PHOENIX ARC	Public	93,124	0.19	93,124	0.12
17	INDIA FACTORING & FINANCE SOLUTIONS PRIVATE LIMITED	Public	6,833	0.01	6,833	0.01
18	CANCON AGENCIES PRIVATE LIMITED (CONSOLIDATED TIE-UP PRIVATE LIMITED)	Public	6,00,000	1.20	1,06,00,000	13.17
19	EXPEDITORS DISTRIBUTORS PRIVATE LIMITED (HUMAN TOUCH TRACOM PRIVATE LIMITED)	Public	-	-	1,00,00,000	12.42
20	SHREE SUDHARSHAN CASTINGS PVT. LTD.	Public	-	-	65,00,000	8.07
	<b>TOTAL</b>		<b>1,25,42,252</b>	<b>25.08</b>	<b>3,90,42,252</b>	<b>48.50</b>
	<b>GRAND TOTAL A+B</b>		<b>5,00,00,000</b>	<b>100.00</b>	<b>8,05,00,000</b>	<b>100.00</b>

**Proposed time within which the allotment shall be completed:**

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

**No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, no preferential allotment has been made to any person.

**Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in management or control of the Company pursuant to the issue of the equity shares.

**The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not Applicable.

**Lock in period:**

The proposed allotment of the equity shares shall be subject to a lock-in as per the requirements of ICDR Regulations.

**Certificate:**

A certificate from Statutory Auditors of the Company and practising Company Secretaries, certifying that the issue of equity shares is being made in accordance with requirements of ICDR Regulations shall be placed before the general meeting of the shareholders.

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting. Additionally, copies of the relevant documents are available for inspection at the corporate office of the Company and will also be made available at the Meeting.

The Board of Directors of the Company believe that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the resolution for your approval of its member as Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

**Item No 14**

In accordance with the provisions of section 148 of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 (the "Rules"), the Company is required to appoint a cost accountant (Cost Auditor) to audit the cost records of the Company and the Cost Audit fees to be paid to the Cost Auditors of the Company has to be approved by the shareholders of the Company.



***SPS Steels Rolling Mills Limited***

Therefore on the recommendation of the Audit Committee the Board of Directors at its meeting held on 28<sup>th</sup> May, 2022 has approved the appointment of M/s Sohan Lal Jalan & Associates , Practising Cost Accountants having Firm Registration No. 000521 and having office at Samrat Apartment , P-184 Suren Sarkar Road , Kolkata 700010 ,as Cost Auditors of the Company for conducting Cost Audit of the Cost Records maintained by the Company for the F.Y.2022-23, required to be audited under the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), at a remuneration of Rs. 50,000 p.a. plus out of pocket expenses.

Accordingly, the members are requested to approve the remuneration of the Cost Auditors for the financial year 2022-23 as set out in the resolution for the aforesaid services to be rendered by him.

The Board recommends the Resolution set out at Item No. 14 of the Notice for approval of the Members of the Company, to be passed as Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution.

***SPS Steels Rolling Mills Limited***

Annexure to the Notice

**DETAILS OF DIRECTORS RETIRING BY ROTATION/ SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

PARTICULARS	Shri Ramabatar Agarwal	Shri Sanjay Kumar Chowdhary
Date of Birth/Age	14/01/1944	09/08/1970
Experience	Commerce Graduate	Commerce Graduate
Experience (including expertise in specific functional area) / Brief Resume	Mr. Ramabatar Agarwal aged about 78 years, son of Late Shri Shibaprasad Agarwal, is a Commerce Graduate. However, he has about half a century of experience in managing various industries including coal and coke trading which has been the backbone of the family-owned businesses commissioned since last 55 years.	Shri Sanjay Kumar Chowdhary aged about 51 years, son of Shree Kishan Chowdhary has experience of over 20 years in technical know-how of a manufacturing company. He has a good understanding of industry, relevant risk, reporting and regulatory issues in which the company operates.
Date of First Appointment on the Board	11/04/2019	11/04/2019
Equity Shareholding	Nil	Nil
Membership/ Chairmanship in other Boards	NA	NA

**ROUTE MAP TO THE VENUE OF THE 40TH ANNUAL GENERAL MEETING  
GUIDE MAP TO VENUE OF AGM  
VENUE: DIAMOND PRESTIGE ,41 A A.J.C BOSE ROAD,7TH FLOOR, ROOM NO.701,  
KOLKATA-700017**



## BOARD REPORT 2021-22

Dear Members,

Your Directors take pleasure in presenting the 40<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2022.

### Financial Results

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

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2022 (Rupees in Lakhs)</b>	<b>Year Ended 31<sup>st</sup> March 2021 (Rupees in Lakhs)</b>
<i>Revenue from Operations (Net)</i>	1,24,021.58	89,716.94
<i>Other Income</i>	222.67	280.01
<i>Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense</i>	8537.18	8,032.15
<i>Less: Depreciation/ Amortisation/ Impairment</i>	1,980.06	1,875.46
<i>Profit /loss before Finance Costs, Exceptional items and Tax Expense</i>	6,557.12	6,156.69
<i>Less: Finance Costs</i>	2,424.12	2,402.84
<i>Profit /loss before Exceptional items and Tax Expense</i>	4,133	3,753.85
<i>Add/(less): Exceptional items</i>	-	-
<i>Profit /loss before Tax Expense</i>	4,133	3,753.85
<i>Less: Tax Expense</i>		
<i>Current Tax</i>	0	0
<i>Deferred Tax</i>		
<i>Income Tax for Earlier years</i>		
<i>Profit /loss for the year</i>	<b>4,133</b>	<b>3,753.85</b>
Earnings per share (Basic)	8.27	7.56
Earnings per Share (Diluted)	8.27	7.56

### OPERATIONS AND STATE OF AFFAIRS

During the year, the total turnover from operations was ₹1,24,021.58 lakhs in comparison to ₹89,716.94 lakhs during the previous year and the profit/loss of the company before tax expenses for the year was ₹4,133 lakhs in comparison to ₹3,753.85 lakhs during the previous year. Your directors are making best efforts to increase its operations.

### IMPACT OF COVID-19

Impact of COVID-19 on the economy and Company's initiatives in addressing the challenges of the pandemic. The COVID-19 pandemic has led to the unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. During the year under review, the nation experienced high severity and mortality of citizens brought by the second wave of the ongoing COVID-19 pandemic. With intermittent nationwide lockdowns and disruption in regular economic activities, there was price volatility of raw materials and sluggish market demand during first half of the year under review. However, the Company dealt with the pandemic by continuing to focus on operational excellence, marketing strategies, and keeping its employees and community at the core of it.

## **KEY DEVELOPMENTS**

### **A. ACQUISITION OF UNIT OF VIKASH METAL & POWER LIMITED**

The company acquired a unit of Vikash Metal & Power Limited under liquidation through auction cum sale of the assets and properties done by the Official Liquidator, High Court Calcutta on 7th October, 2021 for a Total consideration of Rs. 45.00 Crores. The company is having plant and machinery installed in 9.65 acres of freehold land and 28 acres of leasehold land situated at Purulia district of West Bengal.

At the location of VMPL the Company is refurbishing 4 X 100 TPD DRI Plants, 10 MW CPP and 1 X 9 MVA Ferro Alloy Plant.

### **ACQUISITION OF SPS METAL CAST & ALLOYS LIMITED**

Pursuant to the order passed by the Hon'ble NCLT, Kolkata Bench dated 25.11.2021 bearing C.P. (IB) No. 1495/KB/2018 whereby the adjudicating authority has approved the Resolution Plan submitted by "Bravo Sponge Iron Private Limited" with regard to the acquisition of M/s. SPS Metal Cast & Alloys Limited (Corporate Debtor) under the provisions of the Insolvency and Bankruptcy Code, 2016. Since "Bravo Sponge Iron Private Limited" is one of the group companies of SPS Steels Rolling Mills Limited. Therefore, the management of both the companies decided to make the entire payment from SPS Steels Rolling Mills Limited. As a result of this, SPS Metal Cast & Alloys Limited became a wholly-owned subsidiary of SPS Steels Rolling Mills Limited. Since the handover of the company took place after the end of the financial year 2021-22, hence the company did not prepare consolidated financial statements for the relevant period.

## **DIVIDEND**

With a view to conserve the resources of the company for further investments, your directors do not recommend any dividend.

## **TRANSFER TO RESERVES**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis as required in terms of the SEBI Listing Regulations is annexed to this Report as ***Annexure 1***.

## **SHARE CAPITAL**

### **Authorized, subscribed and paid-up share capital**

The Authorized share capital of the Company is Rs. 50.00/- crores comprising of 5 crore equity shares of Rs. 10 each. The Company Issued, Subscribed and Paid-up Capital at Rs 50,00,00,000 (Fifty Crore) comprising of 5,00,00,000 Equity Shares of Rs 10/-.

## **LISTING WITH STOCK EXCHANGES**

The Company is listed at Calcutta Stock Exchange and confirms that it has paid the Annual Listing Fee for the year 2022-23 where the Company's Shares are listed.

## **MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2021-22 9 (Nine) Board Meeting were held, the details of which are given in the Corporate Governance Report forming part of this report and marked as ***Annexure 2***.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

## **Change in designation**

During the year under review, Mr. Ashok Kumar Sharma was appointed as an Independent Director with effect from 13<sup>th</sup> August, 2021 for a term of 3 consecutive years at the AGM of the Company held on 30<sup>th</sup> September, 2021. He was earlier holding the position of Additional Director (Non-Executive and Independent) in the Company.

Mr. Ramabatar Agarwal retires as a director of the company at the forthcoming Annual General Meeting ("AGM") and, being eligible, offers himself for re-appointment as a director.

Further, Mr. Sanjay Kumar Chowdhary whose tenure of office as Whole Time Director expires on 17<sup>th</sup> May, 2023 being eligible, his reappointment shall be proposed at the ensuing Annual General Meeting of the company.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, for the year ending 31st March, 2022, the applicable accounting standards have been followed and there were no material departures requiring any explanation.
- b) 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 true and fair view of the state of affairs of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

## **REPORT ON CORPORATE GOVERNANCE**

The Company is committed to maintain transparency in its operations & hence it complies with the Corporate Governance requirements. The Corporate Governance Report as per Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Report on Corporate Governance for the year under review, along with the Certificate from the Auditors confirming compliance with the conditions of Corporate Governance, is annexed as **Annexure 2** forming part of this Report.

## **REMUNERATION POLICY**

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. As part of the Policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks;and

- remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

During the year under review, there has been no change to the Policy. The Policy is available on the website of the Company at [www.spsgroup.co.in](http://www.spsgroup.co.in).

### **ANNUAL EVALUATION OF BOARD**

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013 ('Act') and the SEBI Listing Regulations.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

### **FAMILIARISATION PROGRAMME FOR DIRECTORS**

As a practice, all new directors (including Independent Directors) inducted to the Board go through structured orientation program. Presentations are made by Senior Management giving an overview of the operations, to familiarize the directors with the Company's business operations. The new directors are given an orientation on the products of the business, board constitution and procedures, matters reserved for the board and the major risks and risk management strategy of the Company. Visits to plants for the new directors to enable them understand the business better.

Details of orientation given to the new and existing Independent Directors in the areas of strategy/industry trends, operations & governance, and safety, health and environment initiatives are available on the website of the Company.

### **AUDIT COMMITTEE**

The Board has constituted an Audit Committee the details pertaining to the composition of the audit committee are included in the report on Corporate Governance. There has no instance during the year where recommendations of the Audit Committee were not accepted by the board.

### **AUDITORS AND AUDIT REPORT**

M/s. Uttam Agarwal & Associates, Chartered Accountants having registration no. 322455E, has been appointed as Statutory Auditors of the Company for a term of 5 years commencing from the Financial year 2017-18 to hold office from the conclusion of 35<sup>th</sup> annual general meeting till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held for the Financial Year 2021-22 (Requirement of Ratification at AGM has since been dispensed with). The Company proposes to appoint M/s. V. Singhi & Associates as the Statutory Auditor for the company for a period of 5 years in the 40<sup>th</sup> Annual General Meeting of the company.

M/s. Uttam Agarwal & Associates, Chartered Accountants has audited the book of accounts of the Company for the financial year ended March 31, 2022 and has issued an unqualified report thereon. The notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further explanation.

#### **MAINTENANCE OF COST RECORDS AND COST AUDIT**

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 has on the recommendation of the Audit Committee approved the appointment of M/s. Sohan Lal Jalan & Associates, Practicing Cost Accountants firms having Firm Registration No. 000521 as Cost Auditors of the Company for conducting cost audit for the financial year 2022-23. Accordingly, a resolution seeking approval of the members for ratifying the remuneration payable to Cost Auditors for financial year 2022-23 is provided in the Notice to the ensuing Annual General Meeting.

#### **SECRETARIAL AUDIT REPORT**

Section 204 of the Companies Act, 2013 inter alia, requires every listed company to annex to its Board's Report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in Practice. The Board has appointed Mr. Mayank Daga, Practicing Company Secretary (Certificate of Practice no. 16509) as the Secretarial Auditor for the financial year ended 31st March 2022, the Secretarial Audit Report sublimed by Company Secretary in Practice is enclosed as a part of this report as **Annexure-3**.

#### **INTERNAL AUDITOR**

In terms of the Provisions of Section 138 of the Act, M/s. Bakertilly DHC Advisory LLP having LLPIN: AAA-7508, Chartered Accountants, were appointed as the Internal Auditor of the Company for the Financial Year 2021-22. The Audit Committee in consultation with the Internal Auditor formulated the scope, functioning, periodicity and methodology for conducting the internal audit. The Audit Committee inter-alia reviews internal audit reports.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

- I. The Company has an Internal Financial Control System, which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.
- II. **Adoption of SAP ERP, software for maintaining books and accounts and for related purpose:** The company always looks for better measures and keeps on surveying the market for better applications, technologies and methods to be adopted for smooth functioning of the business operations of the company. In view of the same, the company has adopted SAP ERP for maintaining books and accounts and for related purpose

#### **SUBSIDY/ASSOCIATE/JOINT VENTURE COMPANY**

The Company does not have any subsidiary/associate /joint venture Company during the year ended 31 March 2022.

However, the company after the end of the financial year 2021-22 acquired SPS Metal Cast & Alloys Limited making it a wholly owned subsidiary of its own. The shareholding pattern of SPS Metal Cast & Alloys Limited is mentioned below:

S.NO	Name of shareholder	No. of shares
1	SPS Steels Rolling Mills Limited (SPSSRML)	1,29,99,400
2	Deepak Kumar Agarwal (holding shares on behalf of SPSSRML)	100



3	Swati Agarwala (holding shares on behalf of SPSSRML)	100
4	Mridul Agarwal (holding shares on behalf of SPSSRML)	100
5	Ramabatar Agarwal (holding shares on behalf of SPSSRML)	100
6	Premlata Devi Agarwal (holding shares on behalf of SPSSRML)	100
7	Tanesha Agarwal (holding shares on behalf of SPSSRML)	100
	<b>TOTAL</b>	<b>1,30,00,000.00</b>

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, enclosed as a part of this report and marked as **Annexure 4**.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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, non-executive 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 5**.

### **VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act and Listing Regulations for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for directors, employees and stakeholders. The details of the said policy have been disclosed on the Company's website at [www.spsgroup.co.in](http://www.spsgroup.co.in).

### **CREDIT RATINGS**

The credit rating assigned to the company by CRISIL during 2021-22 is BBB+ for long term facilities and A2 for short term facilities. However, during the previous year the credit rating assigned was BBB/Stable for long term facilities and A3+ for short term facilities.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered into the ordinary course of business. The policy on materiality of related party transaction and dealing with related party transaction may be accessed on company's website at the link [www.spsgroup.co.in](http://www.spsgroup.co.in). Your directors draw attention of members to note 32 to the Financial Statements which set out related party disclosures.

The transactions are being reported in specified Form No. AOC-2 in terms of Section 134 of the Act in **Annexure 6**.

### **DEPOSITS**

During the year under review, your company has not accepted any deposit from the public / member's u/s 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules during the year.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 made during the year under review is annexed to this report as *Annexure 7*.

#### **EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 has been uploaded in the website of the company, the weblink of which is [www.spsgroup.co.in](http://www.spsgroup.co.in). Accordingly, MGT-9 is not attached in this Board Report.

#### **REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEE:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is separately enclosed as *Annexure 8*.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments have occurred after the closure of the year till the date of this Report, which affect the financial position of the Company.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

No significant and material orders have been passed by the regulators or the courts or tribunals impacting the going concern status of the Company during the financial year 2021-22.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a revised policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been raised during the year ended March, 2022.

#### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI Insider Trading Regulations'), as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code').

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Risk management is the process of minimizing or mitigating the risk. It starts with the identification and evaluation of risk followed by optimal use of resources to monitor and minimize the same. The company is exposed to several risks. They can be categorized as operational risk and strategic risk. The company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate those risks.

Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique/ relatively high-risk profiles.

A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all business, enabling identification of areas where risk management processes may need to be strengthened. The Audit committee of the board reviews internal audit findings and provides strategic guidance on internal controls.

### **SECRETARIAL STANDARDS**

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

### **ACKNOWLEDGEMENT**

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Customers and Shareholders for their continued support.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

On behalf of the Board of Directors  
SPS Steels Rolling Mills Limited

Date: 05<sup>th</sup> July, 2022  
Place: Kolkata

Deepak Kumar Agarwal  
Managing Director  
DIN: 00646153

Sanjay Kumar Chowdhary  
Whole Time Director  
DIN: 08402623

**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 2021-22. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. 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. Your attention is also drawn to sections on Opportunities, Risks and Strategy Planning forming part of the Integrated Report.

**ECONOMY OVERVIEW**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption and the ongoing tension between Russia and Ukraine have limited the growth prospects.

Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23.

**BUSINESS REVIEW**

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. The existing capacities as above are at presently operating at more than 100 % Capacity Utilization {except the Light Structural Mill which is given on Lease at Rs. 500 per Metric Ton for 11 months w.e.f. 01.07.2020 as the product is new to the group being a Non – Chore Product and capacity is also very small}. Further, the existing rolling mill is getting older and needs Renovation / Refurbishment / Modernization to improve Efficiency and Recovery. In view of this it is found to be prudent to go for Renovation / Refurbishment / Modernization / expansion of the existing Facilities. There is a general expectation of further improvement in the economy and investment climate as the stable government is operating in the country and it is expected that there would be more opportunities in the sector.

**ACQUISITION OF VIKASH METAL & POWER LIMITED**

Vikash Metal & Power Limited, incorporated on 04.07.1996 with the main object of manufacturing and producing all kind of sponge iron, pig iron, ferro alloys, steels as well as other allied products. However, the company was suffering losses and hence it was unable to continue its operations.

Therefore, SPS Steels Rolling Mills Limited acquired the company under liquidation through auction cum sale of the assets and properties done by the Official Liquidator, High Court Calcutta on 7th October, 2021 for a Total consideration of Rs. 45.00 Crores. The company is having plant and machinery installed in 9.65 acres of freehold land and 28 acres of leasehold land situated at Purulia district of West Bengal.

At the location of VMPL the Company is refurbishing 4 X 100 TPD DRI Plants, 10 MW CPP and 1 X 9 MVA Ferro Alloy Plant. The Total cost of the Take over as well as the proposed refurbishment is estimated to be Rs. 188.00 Crores, Term Loan envisaged is Rs. 115.00 Crores and Promoters Contribution of Rs. 73.00 Crores. SBI has sanctioned Term Loan of Rs. 50.00 Crores, PNB and Canara Bank are in process to sanction balance debt aggregating Rs. 65.00 Crores.

**RISKS AND OPPORTUNITIES**

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.

The COVID-19 outbreak is an unprecedented event and has certainly posed challenges for the Company. The risk intelligent culture embedded across the Company has helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. Operations were aligned with the prevailing market conditions by reducing upstream operations while curtailing downstream operations. Cross functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that plant could operate as planned. The Company also focused on cash and liquidity management to face any future disruption in business conditions.

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.

**REPORT ON CORPORATE GOVERNANCE**

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

**1. Company's philosophy on Corporate Governance in brief**

The Company's philosophy on Corporate Governance is based on the foundation of ethical and transparent business operations. The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increase rational efficiencies and sustained long term value creation for all the stake holders. The Company is committed to the highest standard of corporate governance, and setting industry- leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders while maintaining due compliance with all legal and regulatory requirements. The Company's philosophy on Corporate Governance extends across its business operations to meet the varied needs of all stakeholders and the society at large to create long term sustainable value.

The Company continues to maintain high standards of transparency and effective leadership coupled with ethical business practices. As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act') and has established procedures and systems to comply with it.

Pursuant to the SEBI Listing Regulations, the Certificate from a Practicing Company Secretary, on compliance with the corporate governance norms forms part of the Corporate Governance Report.

**1. Board of Directors**

Composition and Category of Directors and number of other Directorship and Committee Positions and the names of the listed entities in which the Director is a Director and the category of such Directorship held as on 31 March, 2022.

The Board of Directors of the Company consisted of 6(Six) members as on 31<sup>st</sup> March, 2022, which comprised of:

Three Independent, Non-Executive Directors including one Independent Woman Director;

Two Promoter Executive Directors; and

One Non-Promoter Executive Whole-Time Director.

The Composition of the Board as on 31<sup>st</sup> March, 2022

The composition of the Board as on 31<sup>st</sup> March, 2022 was in accordance with the provisions of the Act and the Regulation 17 of the Listing Regulations. The details of each member of the Board as on 31<sup>st</sup> March, 2022 are provided herein below:

Name of the Director	Numberof Directorship(s )in other publiclimited companies	No. of committee positions in other public limited companies		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				

**SPS Steels Rolling Mills Limited**

Mr. Deepak Kumar Agarwal (DIN: 00646153) Managing Director Executive Director- Promoter	1	0	4	0
Mr. Sanjay Kumar Chowdhary (DIN:08402623) Whole-Time Director Executive Director	1	0	0	Citrine Consultants Ltd W.E.F 29-06-2020 Executive Director
Mr. Ramabatar Agarwal (DIN:02930064) Executive Director Promoter	1	0	0	0
Mrs. Priyanka Goenka (DIN: 08489182) Non-Executive Independent Director	2	0	7	Citrine Consultants Ltd W.E.F 15-07-2020 Non-executive – Independent Director
Mr. Ajit Kumar Nath (DIN:08641824) Non-Executive Independent Director	0	0	0	0
Mr. Ashok Kumar Sharma (DIN: 09273096) Non-Executive Independent Director	1	3	0	0

**Notes:**

1. Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships
2. Only Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee & CSR of Indian Public Companies have been considered for committee positions.
3. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2021 have been made by the Directors.
4. Mr. Ramabatar Agarwal is the Father Mr. Deepak Kumar Agarwal, apart from this, none of other Directors are in any way related to any other Director.

**Attendance of Directors at the Board Meetings during the Financial Year ended 31 March, 2022 and at the last Annual General Meeting**

During the Financial Year ended 31 March, 2022, 9 (Nine) Board Meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The attendance details of each Director at the Board Meetings and at the last Annual General Meeting ('AGM') is given below:

Name of the Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM held on 30 September, 2021
Mr. Deepak Kumar Agarwal	9	9	Yes
Mr. Ramabatar Agarwal	9	9	Yes
Mr. Sanjay Kumar Chowdhary	9	9	Yes

Mrs. Priyanka Goenka	9	9	Yes
Mr. Ajit Kumar Nath	9	9	Yes
Mr. Ashok Kumar Sharma	9	6	Yes

**Information placed before the Board**

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

During the Financial Year 2021-22, information as mentioned in Schedule II (Part A) to the Listing Regulations has been placed before the Board for its consideration; to the extent it is applicable and relevant.

The Board periodically reviews the compliance report applicable to the Company, prepared by the Company.

**Details of Meeting-wise attendance of Board Members**

Date of the Board Meeting	Board Strength	No. of Directors Present
28.06.2021	5	5
29.07.2021	5	5
13.08.2021	5	5
01.09.2021	6	6
15.10.2021	6	6
13.11.2021	6	6
12.01.2022	6	6
12.02.2022	6	6
31.03.2022	6	6

**Details of shares/convertible instruments held by the Directors of the Company as on 31 March, 2022 are as follows:**

Name of Director	No. of shares held
Mr. Deepak Kumar Agarwal	Nil
Mr. Rambatar Agarwal	Nil
Mrs. Priyanka Goenka	Nil
Mr. Sanjay Kumar Chowdhary	Nil
Mr. Ajit Kumar Nath	Nil
Mr. Ashok Kumar Sharma	Nil

The Details of the Familiarization programs imparted to the Independent Directors are available at the Company's official website <https://www.spsgroup.co.in/>.

- The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

**Industry knowledge/experience**

Experience of sector/industry  
Knowledge of sector/industry  
Knowledge of international best practices  
Knowledge of technologies in sector/industry

**Technical skills/ expertise**

Functional experience  
Laws and corporate governance  
Risk management  
Human resource management



**Governance competencies**

Senior management experience  
Strategic thinking /planning  
Financial literacy

Public relations  
Profile / reputation

**Behavioral competencies**

Team player / collaborative  
Integrity, seriousness and ethics  
Mentoring abilities

Interpersonal relations  
Communication skills

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the applicable requisite skill sets among above as identified by the Board, in context of business and sector in which the company operates. Moreover, the Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

The Board is of the opinion that, the independent directors are independent of the management and fulfill the conditions as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**2. Confirmation as regards independence of Independent Directors**

The Independent Directors of the Company have confirmed that:

- a. They meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and
- b. in terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Listing Regulations and are independent of the management of the Company.

**3. Vigil Mechanism**

The Vigil Mechanism comprises 3 policies viz , the whistle Blower Policy for Director & Employees, Whistle Blower Policy for Vendors and Whistle Blower Reward and Recognition Policy for Employees. The same is available on our website, <https://www.spsgroup.co.in/>.

**4. Audit Committee**

The composition, quorum and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II (Part C) to the Listing Regulations.

The Committee comprised of the following Directors as its members, as on 31 March, 2022:

Mr. Ashok Kumar Sharma- Independent Director- Chairperson  
Mrs. Priyanka Goenka - Independent Director- Member  
Mr. Ajit Kumar Nath –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.

During the Financial Year 2021-22, 4 (Four) Audit Committee Meetings were held on 28.06.2021, 13.08.2021, 13.11.2021 and 12.02.2022.

Attendance at the said meetings is given below:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Ashok Kumar Sharma	4	2
Mrs. Priyanka Goenka	4	4
Mr. Ajit Kumar Nath	4	4
Mr. Deepak Kumar Agarwal	4	4

#### **5. Nomination & Remuneration Committee**

There is a Nomination and Remuneration Committee ('NRC') in place with roles, powers and duties to be determined by the Board from time to time. Its terms of reference in accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II (Part D) of the Listing Regulations.

The Committee comprised of the following Directors as its members, as on 31 March, 2022:

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

During the Financial Year 2021-22, 3 (Three) NRC meetings were held on 28.06.2021, 13.08.2021 and 31.03.2022. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Ashok Kumar Sharma	3	1
Mrs. Priyanka Goenka	3	3
Mr. Ajit Kumar Nath	3	3
Mr. Deepak Kumar Agarwal	3	3

#### **6. Stakeholders' Relationship Committee**

The composition and terms of reference of the Stakeholders' Relationship Committee are in accordance with the provisions of Section 178 of the Act and Regulation 20 read with Schedule II (Part D) of the Listing Regulations.

The Stakeholders' Relationship Committee comprised of the following Directors as its members, as on 31 March, 2022:

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

Mr. Ashutosh Sharma, Company Secretary and Compliance Officer, acts as the Secretary to Stakeholders' Relationship Committee.

During the Financial Year 2021-22, 2 (Two) Stakeholders' Relationship Committee meetings were held on 28.06.2021 and 31.03.2022. Attendances at the said meetings are given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Ashok Kumar Sharma	2	1
Mrs. Priyanka Goenka	2	2
Mr. Ajit Kumar Nath	2	2
Mr. Deepak Kumar Agarwal	2	2

**Note:**

- Mrs. Priyanka Goenka, Chairman of the Stakeholders Relationship Committee was present at the 39<sup>TH</sup> Annual General Meeting of the company held on 30<sup>th</sup> September, 2021 to answer the shareholder queries.
- Mr. Ashok Kumar Sharma, Independent, Non-Executive Director was appointed as the Chairperson of the Audit Committee in the 3<sup>rd</sup> meeting held on 13.11.2021 and in the Nomination & Remuneration Committee and Stakeholder's Relationship Committee in their respective meetings held on 31.03.2022 in place of Mrs. Priyanka Goenka who resigned from the Chairmanship of the Committees.

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, there was no complaint from the shareholders as they were satisfied with the working of the Company, there were no pending complaint at the end of the year.

**7. Independent Director – Separate Meeting**

Pursuant to the provisions of the Act, read with Schedule IV thereto, a separate Meeting of Independent Directors was held on 31.03.2022. The Meeting was attended by Mrs. Priyanka Goenka, Mr. Ajit Kumar Nath and Mr. Ashok Kumar Sharma.

**8. Corporate Social Responsibility Committee**

The composition and terms of reference of the Corporate Social Responsibility ('CSR') Committee are in accordance with the provisions of Section 135 of the Act. As on 31<sup>st</sup> March, 2022, the composition of the CSR Committee was as follows:

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

The terms of reference of the CSR Committee, inter alia, includes the following:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the CSR Policy of the Company from time to time.

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. The Annual Report on CSR activities for the Financial Year 2021-22 forms a part of the Report of the Directors.

During the Financial Year 2020-21, 2 (Two) CSR Committee meetings were held on 28.06.2021 and 31.03.2022. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Ashok Kumar Sharma	2	1
Mrs. Priyanka Goenka	2	2
Mr. Ajit Kumar Nath	2	2
Mr. Deepak Kumar Agarwal	2	2

**9. Remuneration of Directors**

The payments of remuneration to the Independent Director, Executive Director & Non-Executive Director are governed by the Company's Remuneration Policy and the respective agreement between them and the Company.

**Details of remuneration paid to Directors during the Financial Year 2021-22**

**SPS Steels Rolling Mills Limited**

i. Sitting fees paid to executive and non-executive directors In Rupees

Name of the Director	Sitting Fees	Commission paid/payable	Total
Ramabatar Agarwal (Executive Director)	30,000	-	30,000
Ajit Kumar Nath (Non-executive Independent Director)	66,000	-	66,000
Priyanka Goenka (Non-executive Independent Director)	2,20,000	-	2,20,000
Ashok Kumar Sharma (Non-executive Independent Director)	45,000	-	45,000

**Notes:**

ii. Remuneration paid to Executive Directors: (In Rupees)

Name of the Director & Designation	Salary	Perquisite	Commission paid/ payable	Total	Service Contract, etc.
Mr. Deepak Kumar Agarwal Managing Director	24,00,000	0	0	24,00,000	Tenure of 5 years w.e.f. 22 July 2019
Mr. Sanjay Kumar Chowdhary Whole-Time Director	6,00,000	0	0	6,00,000	Tenure of 3 years w.e.f. 18 <sup>th</sup> May, 2020
<b>Total</b>	<b>30,00,000</b>	<b>0</b>	<b>0</b>	<b>30,00,000</b>	

**10. General Body Meetings:**

i) **Location and time, where last three Annual General Meetings (AGM) were held:**

Year	Location	Date	Time	Whether special resolutions passed
2018-2019	Diamond Prestige, Room No. 701, 7 <sup>th</sup> floor, 41A, AJC Bose Road, Kolkata-700017	30 <sup>th</sup> September 2019	11.30 A.M.	Two
2019-2020	Diamond Prestige, Room No. 701, 7 <sup>th</sup> floor, 41A, AJC Bose Road, Kolkata-700017	30 <sup>th</sup> September, 2020	03.00 P.M	Six
2020-21	Diamond Prestige, Room No. 701, 7 <sup>th</sup> floor, 41A, AJC Bose Road, Kolkata-700017	30 <sup>th</sup> September, 2021	10.30 A.M	Three

**Notes:**

**1. Postal Ballot**

Special Resolution passed through postal ballot last year : Nil

Items proposed to be conducted through postal ballot this year : Nil

Disclosures relating to postal ballot are not applicable.

Mr. Mayank Daga, Practicing Company Secretary was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and Ballot Paper) for and at the AGM held on 30 September, 2021 and submitting Report thereon.

As on date, no special resolution is proposed to be conducted through Postal Ballot.

**11. Means of Communication**

The Company's quarterly/half-yearly/yearly financial results are published in national English newspaper(s) as well as newspaper(s) published in vernacular language of the region where the Registered Office of the Company is situated. The Company also submits its releases and financial results to the Stock Exchanges on which the securities of the Company are listed, i.e., Calcutta Stock Exchange. The Company's results and official news releases, presentations made to institutional investors or to the analysts, if any, are also displayed on the Company's website, [www.spgroup.co.in](http://www.spgroup.co.in).

**12. General Shareholder Information**

a) Date, time and venue of the Annual General Meeting	30 <sup>TH</sup> day of July, 2022 at 10:30 A.M.
b) Financial Year	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
c) Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata-700001 Scrip Code: 015077 ISIN: INE114G01026
d) Share Transfer System:	With Central Depository Services (India) Limited & National Securities Depository Limited (NSDL)
e) Registrar and Share Transfer Agent	Niche Technologies Private Limited Registered Office: 7A & 7B, Auckland place Kolkata 700017 Telephone No.: 033 2234 3576 E-mail <a href="mailto:nichetechpl@nicetechpl.com">nichetechpl@nicetechpl.com</a>

Distribution of shareholding as on 31 March, 2022:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
5,001 to 10,000	1	6.25	6833	0.01
10,001 and Above	15	93.75	499,93,167	99.99
<b>Total</b>	<b>15</b>	<b>100.00</b>	<b>500,000,00</b>	<b>100.00</b>

**Note:** % figures have been rounded off to nearest two decimal points.

## SPS Steels Rolling Mills Limited

Shareholding pattern for the year ended 31.03.2022:

SL No	Shareholder Name	Shares	Percentage
1	Aryavrat Plot Managers Private Limited	91,91,406	18.38%
2	BMS Sales Private Limited	72,91,342	14.58%
3	Krishna Sudama Marketing Private Limited	30,00,000	6.00%
4	Shakambari Tie Up Pvt Ltd	99,75,000	19.95%
5	Swapno Marketing Private Limited	80,00,000	16.00%
6	Allahabad Bank	26,79,691	5.36%
7	Central Bank of India	19,50,202	3.90%
8	Indian Overseas Bank	26,50,456	5.30%
9	Punjab National Bank	19,87,124	3.97%
10	UCO Bank	11,05,519	2.21%
11	Union Bank of India	9,17,105	1.83%
12	Edelweiss Asset Reconstruction Company Limited For and on behalf Of EARC Trust SC-148	1,78,708	0.36%
13	Edelweiss Asset Reconstruction Company Limited For and on behalf Of EARC Trust SC -19	3,73,490	0.75%
14	Phoenix Arc	93,124	0.19%
15	India Factoring & Finance Solutions Private Limited	6,833	0.01%
16	Cancon Agencies Private Limited	6,00,000	1.20%
<b>Total</b>		<b>5,00,00,000</b>	<b>100.00%</b>

g) Dematerialization of shares and liquidity	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, 2022, 100 % of the shares of the Company stand dematerialized.
h) Outstanding American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs)/ warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding ADR/GDR/warrants or any convertible instruments as on 31 March, 2022.
i) Plant locations:	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

j) Address for Correspondence:	Mr. Ashutosh Sharma Company Secretary SPS Steels Rolling Mills Limited Diamond Prestige, Room No.701, 7 <sup>th</sup> floor 41A, A.J.C.Bose Road,Kolkata 700 017 Phone: (033) 66255252 E-mail ID: compliance@shakambharigroup.in
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## 15. 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. The transactions with related party in normal course of business have been disclosed in the Notes forming part of Accounts.
- 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 a whistle blower policy and no employee has been denied access to the Audit Committee and / or Director in respect of his / her grievances.
- The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- 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).
- During the financial year ended 31st March, 2022 the Company did not engage in commodity hedging activities.
- During the financial year 2021-22 the Company have not raised or utilized any funds through preferential allotment or qualified institutions placement.
- The company has obtained a certificate from a practicing company secretary certifying that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / MCA or any such statutory authority.
- The board of directors has accepted the recommendations of its committees made during the financial year 2021-22.

- There has been no instance of non-compliance of any requirement of Corporate Governance Report.

## 17. ADOPTION OF NON - MANDATORY REQUIREMENTS

Sr. Nr.	Particulars	Compliance Status/Remarks
1	Audit Qualification	The financial statement has no qualifications.
2	Reporting of Internal Auditors	The Internal Auditors have a direct access to the Chairman of the Audit Committee

- The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46.

## 19. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

**Annexure 2**

**Certification by CEO and Chief Financial Officer as per Regulation 17 (8) of the Listing Regulations the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Members,  
SPS STEELS ROLLING MILLS LIMITED  
Diamond Prestige 7th Floor, Room No. 701  
41A, A.J.C Bose Road,  
Kolkata- 700017.

Dear Sirs,

I, Mr. Deepak Kumar Agarwal, Managing Director, and Mr. Binod Kumar Agrawal, Chief Financial Officer Certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and to the best of our knowledge and belief, hereby state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2022 which are fraudulent, illegal or which violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the 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 internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. We have indicated to the auditors and the Audit Committee: -
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 05<sup>th</sup> July, 2022

Deepak Kumar Agarwal  
Managing Director

Binod Kumar Agrawal  
Chief Financial Officer



**Declaration for Compliance with the Code of Conduct of the Company as per Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Deepak Kumar Agarwal, Managing Director of SPS Steels Rolling Mills Limited declare that as of 31<sup>st</sup> March, 2022 all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For SPS Steels Rolling Mills Limited

Place: Kolkata  
Date: 05.07.2022

Deepak Kumar Agarwal  
Managing Director

**Certificate to the Members of SPS Steels Rolling Mills Limited on the conditions of Corporate  
Governance for the year ended 31st March, 2022.**

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 31st March, 2022 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. ("SEBI Listing Regulations")

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, 2022.

On the basis of records maintained by the Company, I state that, as on 31st March, 2022, 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

Place: Kolkata  
Date: 05.07.2022  
UDIN: A041279D000568575

**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 31st March, 2022, 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	-
3	SANJAY KUMAR CHOWDHARY	08402623	11/04/2019	-
4	PRIYANKA GOENKA	08489182	20/06/2019	-
5	AJIT KUMAR NATH	08641824	27/12/2019	-
6	ASHOK KUMAR SHARMA	09273096	13/08/2021	-

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.

Place: Kolkata  
Date: 05-07-2022  
UDIN: A041279D000568498

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

**Form No.MR-3****Secretarial Audit Report****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[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**

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 2022, 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 2022 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; *(Not applicable to the Company during the Audit Period)*

- 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.
	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.	1) Appeal has been filed by Mr. Deepak Kumar Agarwal dated 06-11-2020 at Securities Appellate Tribunal (SAT) against the SEBI Order dated 03-09-2020, No-WTM/MB/IVD/ID4/8865/2020-2 vide Appeal No 453 of 2020.  2 Securities Appellate Tribunal (SAT) vide its order dated 29-04-2022 has quashed the earlier Order issued by the Whole Time Member (WTM) dated 03-09-2020, as mentioned above, which restrained Mr Deepak Kumar Agarwal PAN (ABSPA2276K) from accessing the securities market.  And order afresh hearing/investigation to be carried out by WTM considering similar to that of 31 preferential entities who were exonerated earlier.

(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. Ashok Kumar Sharma (DIN: 09273096) as additional Non-Executive Independent Director of the Company w.e.f. 13-08-2021
- ii. Change in the designation of Mr. Ashok Kumar Sharma (DIN: 09273096) from additional Director to Director of the Company w.e.f. 30-09-2021

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** 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: 05-07-2022  
UDIN: A041279D000568621

**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: 05-07-2022

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

**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**

- a. Details of technology imported
- b. The year of import
- c. Whether the technology been fully absorbed
- d. 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:**

<b>Foreign Exchange earnings and outgo</b>	<b>2021-22</b>	<b>2020-21</b>
Earning	Nil	Nil-
Outgo	Nil	Nil



**Annual Report on CSR Activities to be Included in the Board's Report for Financial Year ended 31<sup>st</sup> March, 2022**

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 Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashok Kumar Sharma	Chairman of CSR Committee	2	1
2.	Mrs. Priyanka Goenka	Member of CSR Committee	2	2
3.	Mr. Deepak Kumar Agarwal	Member of CSR Committee	2	2
	Mr. Ajit Kumar Nath	Member of CSR Committee	2	2

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: NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2020-21	5,84,910.81	5,84,910.81
2	2019-20	NA	NA
3	2018-19	NA	NA
	<b>Total</b>	<b>5,84,910.81</b>	<b>5,84,910.81</b>

Average net profit of the company as per section 135(5): Rs. (210,14,000)/- (Amount in lakhs)

	2020-21	2019-20	2018-19
Profit/(loss) before exceptional items and tax	3753.84	918.37	(519.66)

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 27,68,367/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA

(c) Amount required to be set off for the financial year, if any: Rs. 5,84,910.81

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 21,83,456/-

8. (a) 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.
28,21,727.5	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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 - Name
				State	District					CSR Registration number.
1.	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation /Promoting education /Empowering women	Clause (i), (ii) and (iii)	Yes	Purulia/Durgapur/Kolkata	3 years	20,00,000	*	20,00,000	Yes	Shree Shyam Seva Santhan
				West Bengal						8

\* **Note:** An amount of Rs. 20,00,000/- was transferred to Shree Shyam Seva Santhan for the purpose of undertaking CSR activities relating to Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation/Promoting education/Empowering women. The estimated duration of the project is 3 years. Further, Shree Shyam Seva Sansthan shall provide statement of expenditure from time to time along with the certificate of the utilization of the amount and actual expenditure.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
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 for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.
				State.	District.			Name. CSR registration number.
1.	Distribution of ration among poor people and developing health care facilities	Clause (i) Eradicating hunger, poverty and malnutrition [“promoting health care including preventive health care”] and sanitation.	Yes	West Bengal, Kolkata		5,10,039.50	Direct	NA NA
2.	Distribution of garments and dresses among poor people	Clause (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans.	Yes	West Bengal, Kolkata		3,11,688	Direct	NA NA
	<b>Total</b>					8,21,727.5		

(d) Amount spent in Administrative Overheads- Nil

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 28,21,727.5

(g) Excess amount for set off, if any: Rs. 6,38,271.5

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 27,68,367/-

(ii)	Total amount spent for the Financial Year	Rs. 28,21,727.5
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 6,38,271.5
(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)]	Rs. 6,38,271.5

9. (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.	
1.	2018-19	NA	NA	NA	NA	NA	NA
2.	2019-20	NA	NA	NA	NA	NA	NA
3.	2020-21	NA	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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.
1	NA	NA	NA	NA	NA	NA	NA	NA
2	NA	NA	NA	NA	NA	NA	NA	NA
3	NA	NA	NA	NA	NA	NA	NA	NA

10. 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- NA

**(Asset-wise details).**

(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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- NA

## 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

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of 18-05 relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: (Amount in Lakhs)	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
NONE					

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

(a)	(b)	(c)	(d)	(e)	(f)
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	58,370.60	28.06.2021	N.A
Shakambhari Ispat & Power Limited	Sale of Goods		14,171.21		
Bravo Sponge Iron Private Limited	Purchase of Goods		22,865.21		
Bravo Sponge Iron Private Limited	Sale of Goods		560.56		

Eloquent Steel Private Limited	Purchase of Goods		8,353.94	28.06.2021	N.A
Eloquent Steel Private Limited	Sale of Goods		238.47	28.06.2021	N.A
Mr. Deepak Kumar Agarwal	Director Remuneration	All the transactions were entered in regular course of business of the Company	24.00	NA	N.A
Mr. Sanjay Kumar Chowdhary	Director Remuneration		6.00	NA	N.A
Eloquent Steel Iron Private Limited	Rent paid		48.33	05.01.2021	N.A
Eloquent Steel Iron Private Limited	Loan given		865.00	31.03.2022	N.A
Shivratri Vyapaar Private Limited	Unsecured Loan received		750.00	01.09.2021	N.A
SPS Metal Cast & Alloys Limited	Unsecured Loan given		3.94	12.02.2022	N.A
SPS Metal Cast & Alloys Limited	Share Application money pending allotment		1,300.00	12.02.2022	N.A

**Particulars of Loans, Guarantees or Investments**  
**(Pursuant to Section 186 of the Companies Act, 2013)**

**Amount Outstanding as on March 31, 2022**

<b>Particulars</b>	<b>Amount (In lakhs)</b>
Loans given	1813.20
Guarantees given	-
Investments made	0.03

**Loans, Guarantees given or Investments made during FY 2021-22**

<b>Name of the Entity</b>	<b>Relation</b>	<b>Amount (In lakhs)</b>	<b>Particulars of Loans, Guarantees given or investments made</b>	<b>Purpose</b>
Narsingh Mercantile Private Limited*	Others	600.00	Loan given	Business related purpose
Eloquent Steel Iron Private Limited	Companies under Common Control	865.00	Loan given	Business related purpose
SPS Metal Cast & Alloys Limited	Companies under Common Control	394.00	Loan given	Business related purpose
Starcon Steel Trading Private Limited	Others	154.20	Loan given	Business related purpose
Cancon Agencies Private Limited	Others	400.00	Loan given	Business related purpose
Srijan Realty Private Limited*	Others	430.00	Loan given	Business related purpose
Kuldevi Trading Enterprises Private Limited	Others	13.83#	Loan given	Business related purpose
<b>TOTAL</b>		<b>2,857.03</b>		

\*Represents loans given and repaid during the FY 2021-22.

#Represent interest payable Rs. 3.83 lakhs on account of loan of Rs. 10 lakh given to Kuldevi Trading Enterprises Private Limited. s

**Amount paid against share application money pending allotment**

<b>Name of the entity</b>	<b>Amount (In lakhs)</b>
SPS Metal Cast & Alloys Limited	1,300.00

**Note:** 1,30,00,000 Equity shares of Rs. 10 each of SPS Metal Cast & Alloys Limited has been allotted to the company on 04.05.2022. Since, the books were closed on 31.03.2022, the said amount shall be reflected in investments of the company from the FY 2022-23 onwards.



**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 AND DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013[READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2014]**

- A.** The Details of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
- i) The ratio of remuneration of each director to the median remuneration of the employee of the company for the financial year:

Sl. No.	Name of the Director	Remuneration Per Annum (INR)*	Median Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Median Remuneration)
1	Deepak Kumar Agarwal (Managing Director)	24,00,000	2,71,170	8.85
2	Sanjay Kumar Chowdhary (Whole-time director)	6,00,000	2,71,170	2.21

- ii) Percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive officer, if any, in the financial year 2021-22.

During the year there has not been any increase in the remuneration paid to Mr. Deepak Kumar Agarwal (M.D) or Mr. Ashutosh Sharma (Company Secretary) or Mr. Binod Kumar Agarwal (CFO) of the Company.

- iii) Percentage Increase in the median remuneration of employees in the financial year 2021-22.

Year	(Amount in INR) Median remuneration
2020-2021	2,62,590
2021-2022	2,71,170

Percentage increase in median remuneration of employees in the financial year 2021-22 – **3.27%**

- iv) Number of Permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2022 is **685**.
- v) Average Percentile increase already made in the salaries of the employees other than the managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable
- vi) The Key Parameters for any variable component of remuneration availed by the directors: None
- i) The ratio of remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year:

Name of the Director	Remuneration Per Annum (INR)	Name of the Employee	Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Employee)
Deepak Kumar Agarwal	24,00,000	None	N.A.	N.A.

- a. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the information on employees' particulars of employees drawing remuneration in excess to the limits set out in the said rules which are available for inspection of Members. If any Members are interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Mr. Deepak Kumar Agarwal Managing Director	Mr. Ashok Kumar Sharma Chairman of Nomination & Remuneration Committee	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF *SPS STEELS ROLLING MILLS LIMITED***

#### **Opinion**

We have audited the accompanying financial statements of *SPS Steels Rolling Mills Limited* ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the Standalone financial statements.

#### **Emphasis of Matter**

The balance confirmations and reconciliations have not been received in respect of certain balance with banks and trade receivables. In the opinion of the management, there will not be any material impact on the financial statements.

Our opinion is not modified in respect of the above matters.

## **Key Audit Matter**

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 there on, and we do not provide a separate opinion on these matters.

### **Key audit matter**

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 in notes 4 financial statements.

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

- Significance of amount incurred on such items during the year ended March 31, 2022.
- Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.
- 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.

### **How the matter was addressed in our audit**

Our audit procedures included the following:

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

## **Information other than the Financial Statements and Auditor's Report Thereon**

The company's Board of Directors is responsible for the other information. The other information, comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

In the preparing the 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 operation, or has no realistic alternative but to do so.

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 Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Those Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the 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 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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, refer to our separate report in “Annexure B”; and
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 28 to the 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.
- h. (i) The management has represented that, to the best of its knowledge and belief, no funds 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.

**UTTAM AGARWAL & ASSOCIATES**  
***Chartered accountants***

- i. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.
  - The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

*For Uttam Agarwal & Associates*  
*Chartered Accountants*  
Firm's Registration No. 322455E

**CA Gaurav Agarwal**  
*Partner*  
Membership No. 307455

**Place:** Kolkata.  
**Date:** May 28, 2022.  
**UDIN:**22307455ALAZYM9418



**Annexure A -to the Independent Auditor's Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2022, we report that:

i) (a)(A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) According to the information and explanations given to us the Company has maintained proper records showing full particulars of 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 Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified at reasonable intervals. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements 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 and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification 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 quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) 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 made investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than subsidiaries as below:

<b>Particulars</b>	<b>Amount (in lacs)</b>	<b>Type</b>
Aggregate amount during the year	3182.99	Unsecured
Balance outstanding at the balance sheet date	1589.98	Unsecured

(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 terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(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.

(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 overdue 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 given all the loans as repayable on demand. The details are as specified below:

<b>Aggregate amount of loan repayable on demand (in lacs)</b>	<b>% to total loans granted</b>	<b>Aggregate of loans granted to promoters (in lacs)</b>	<b>Aggregate of loans granted to related party</b>
3182.99	100%	-	868.94

(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 of Section 185 of the Companies Act, 2013 in respect of any loans, or any guarantee or security given/provided as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) 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) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and such accounts and records have been so made and maintained.

(vii) (a) According to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including GST and Services Tax, provident fund, employees state insurance, income tax, sales tax, duty of customs, duty of excise, VAT, cess and any other statutory dues to the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, cess or other statutory dues which have not been deposited by the Company on account of disputes.

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 as income during the year.

(ix) (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(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 not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the term loans were applied for the purpose for which they were obtained.

(d) According to the information and explanations given to us and 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 by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements 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 as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by 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) The Company has not raised any moneys 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 on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on 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) No whistle blower complaints have been received during the year by the Company.

(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 the information and explanations given to us, 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 Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, 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 till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, 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-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. 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) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors 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 realization of financial assets and payment of financial liabilities,

**UTTAM AGARWAL & ASSOCIATES**  
**Chartered accountants**

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)(a) 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 other than any ongoing projects.

(xx)(b) In our opinion and according to the information and explanations given to us, the company has transferred the amount remaining unspent in respect of ongoing projects, to a special account within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act, as follows:

<b>Relevant Financial Year</b>	<b>Amount unspent on Corporate Social Responsibility activities for “Ongoing Projects”</b>	<b>Amount transferred to special account within 30 days from the end of the Financial Year</b>	<b>Amount transferred after the due date</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
2021-22	20.00 Lacs	20.00 Lacs*	-

\*Amount paid to Shree Shyam Seva Sansthan(an implementing agency) on 29.04.2022. The company has informed us that they have complied with the provisions of Section 135 of the Companies Act, 2013.

**For Uttam Agarwal & Associates**  
*Chartered Accountants*  
Firm's Registration No. 322455E

**CA Gaurav Agarwal**  
*Partner*  
Membership No. 307455

**Place:** Kolkata.  
**Date:** May 28, 2022.  
**UDIN:** 22307455ALAZYM9418

## **Annexure - B to the Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SPS Steels Rolling Mills Limited** ("the Company") as of 31st March 2022, in conjunction with our audit of the 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 over 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 over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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 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 over 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 with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over 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 with reference to financial statements over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over 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 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 financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override 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 over financial reporting to future periods are subject to the risk that the internal financial control over 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 with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For Uttam Agarwal & Associates*  
*Chartered Accountants*  
Firm's Registration No. 322455E

**CA Gaurav Agarwal**  
*Partner*  
Membership No. 307455

**Place:** Kolkata.  
**Date:** May 28, 2022  
**UDIN:** 22307455ALAZYM9418

**SPS STEELS ROLLING MILLS LIMITED**  
**Balance Sheet as at 31st March 2022**

Amount in Rs. Lakhs

	Note	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4A	20,639.63	17,371.78
(b) Capital work-in-progress	4B	7,120.10	2,747.97
(c) Intangible Asset	4A	28.04	2.09
(d) Financial assets			
(i) Investments	5(a)	0.03	0.03
(ii) Bank balances other than cash & cash equivalents	5(b)	5,454.69	857.79
(iii) Other financial assets	5(c)	1,511.09	1,105.07
(e) Other non-current assets	6(a)	4,958.79	861.55
<b>Total Non-current assets</b>		<b>39,712.37</b>	<b>22,946.27</b>
<b>(2) Current assets</b>			
(a) Inventories	7	15,224.13	6,934.65
(b) Financial assets			
(i) Trade receivables	8	18,504.56	18,910.68
(ii) Cash and cash equivalents	9	52.10	36.05
(iii) Other Financial Assets	5(c)	1,589.98	353.14
(c) Current tax assets (net)	10	314.97	202.06
(d) Other current assets	6(b)	8,464.55	5,376.13
<b>Total Current assets</b>		<b>44,150.29</b>	<b>31,812.71</b>
<b>TOTAL ASSETS</b>		<b>83,862.66</b>	<b>54,758.98</b>
<b>Equity</b>			
(a) Equity share capital	11	5,000.00	5,000.00
(b) Other equity	12	16,311.79	12,184.87
<b>Total Equity</b>		<b>21,311.79</b>	<b>17,184.87</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13(a)	32,289.48	19,486.07
(b) Provisions	15	260.34	207.69
<b>Total Non-current liabilities</b>		<b>32,549.82</b>	<b>19,693.76</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13(b)	17,190.60	8,287.39
(ii) Trade payables	16	10,118.44	7,945.29
(iii) Other financial liabilities	14	17.68	-
(b) Other current liabilities	17	2,649.30	1,633.80
(c) Provisions	15	25.04	13.85
<b>Total Current liabilities</b>		<b>30,001.06</b>	<b>17,880.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>83,862.66</b>	<b>54,758.98</b>

**Significant accounting policies**

See accompanying notes to the financial statements

As per our report of even date attached  
**For Uttam Agarwal & Associates**  
Chartered Accountants  
FRN: 322455E

**For and on behalf of the Board**

**CA Gaurav Agarwal**  
Partner  
Membership No: 307455

**Deepak Kumar Agarwal**  
Director  
DIN : 00646153

**Sanjay Kumar Chowdhary**  
Director  
DIN : 08402623

Place: Kolkata  
Dated: 28.05.2022  
UDIN: 22307455ALAZYM9418

**Binod Kumar Agrawal**  
Chief Financial Officer

**Ashutosh Sharma**  
Company Secretary



**SPS STEELS ROLLING MILLS LIMITED**  
**Statement of Profit & Loss for the Year Ended 31st March 2022**

Amount in Rs. Lakhs

	Note	Year ended 31.03.2022	Year ended 31.03.2021
<b>I</b>	Revenue from operations	18	1,24,021.58
<b>II</b>	Other income	19	222.67
<b>III</b>	<b>Total income (I + II)</b>		<b>1,24,244.25</b>
<b>IV</b>	<b>Expenses</b>		
	Cost of materials consumed	20	55,354.61
	Purchase of stock-in-trade	21	44,473.64
	Changes in inventories of finished goods and stock-in-trade	22	-2,712.82
	Employee benefits expense	23	1,890.59
	Finance costs	24	2,424.12
	Depreciation and amortisation expense	4A	1,980.06
	Other expenses	25	16,701.04
	<b>Total expenses (IV)</b>		<b>1,20,111.25</b>
<b>V</b>	<b>Profit/ (loss) before exceptional items and tax (III-IV)</b>		<b>4,133.01</b>
	Exceptional items		-
<b>VI</b>	<b>Profit/ (loss) before tax</b>		<b>4,133.01</b>
<b>VII</b>	<b>Tax expense:</b>		
	Current tax		-
	Deferred tax		-
<b>VIII</b>	<b>Profit / (loss) for the year (V-VI)</b>		<b>4,133.01</b>
	<b>Other comprehensive income (net of tax)</b>		
	<b>A. Items that will not be reclassified to profit or loss</b>		
	(a) Remeasurements of defined benefit liability/ (asset)		- 28.02
	(b) Equity Instrument at fair value through OCI		- -
	(c) Income taxes relating to items that will not be reclassified to profit or loss		- -
	<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>- 28.02</b>
	<b>B. Items that will be reclassified to profit or loss</b>		<b>- -</b>
	<b>Net other comprehensive income to be reclassified</b>		<b>- -</b>
<b>IX</b>	<b>Other comprehensive income</b>		<b>- 28.02</b>
<b>X</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>4,133.01</b>
<b>XI</b>	<b>Earnings per equity share</b>	27	
	[Face value of equity share <b>Rs. 10</b> each (previous year <b>Rs. 10</b> each)]		
	- Basic		<b>8.27</b>
	- Diluted		<b>8.27</b>

**Significant accounting policies**

See accompanying notes to the financial statements

As per our report of even date attached

**For Uttam Agarwal & Associates**

Chartered Accountants

FRN: 322455E

**For and on behalf of the Board**

**CA Gaurav Agarwal**

Partner

Membership No: 307455

**Deepak Kumar Agarwal**

Director

DIN : 00646153

**Sanjay Kumar Chowdhary**

Director

DIN : 08402623

Place: Kolkata

Dated: 28.05.2022

UDIN: 22307455ALAZYM9418

**Binod Kumar Agrawal**

Chief Financial Officer

**Ashutosh Sharma**

Company Secretary

### 3) Cash flow statement for the year ended 31st March 2022

Amount in Rs. Lakhs

	Year ended 31st March 2022	Year ended 31st March 2021
<b>A Cash flow from operating activities</b>		
Profit Before Tax	4,133.01	3,753.84
Adjustment for :-		
Interest income	-28.43	-103.95
Depreciation and amortisation expense	1,980.06	1,875.46
Finance costs	2,424.12	2,402.84
Allowance for doubtful debts (expense)	591.78	1,965.47
Loss on sale of property, plant and equipments	54.36	-
	<b>5,021.89</b>	<b>6,139.82</b>
<b>Operating profit before working capital changes</b>	<b>9,154.89</b>	<b>9,893.66</b>
Adjustment For :-		
Trade receivables, loans, advances and other assets	-9,020.27	-6,984.13
Inventories	-8,289.48	-2,095.92
Trade payables, other liabilities and provisions	3,270.16	3,482.42
	<b>-14,039.59</b>	<b>-5,597.62</b>
<b>Cash generated from operations</b>	<b>-4,884.70</b>	<b>4,296.04</b>
Income tax paid	-112.92	-76.56
<b>Net Cash from operating activities</b>	<b>-4,997.62</b>	<b>4,219.48</b>
<b>B Cash flow from investing activities</b>		
Acquisition of property, plant and equipments & Capital Work-in-Progress	-9,744.34	-2,700.45
Proceeds from sale of property, plant and equipments	43.99	-
(Increase)/decrease in fixed deposits	-4,596.90	-129.32
Interest received	28.43	103.95
<b>Net cash used in investing activities</b>	<b>-14,268.82</b>	<b>-2,725.82</b>
<b>C Cash flow from financing activities</b>		
Increase/(decrease) in borrowings	21,706.61	876.96
Interest paid	-2,424.12	-2,402.84
<b>Net cash used in financing activities</b>	<b>19,282.49</b>	<b>-1,525.88</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>16.06</b>	<b>-32.22</b>
Cash & Cash equivalents at beginning of the year	36.05	68.27
Cash & Cash equivalents at closing of the year	<b>52.10</b>	<b>36.05</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.
- Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances) during the year.
- Figures in (-) indicate cash outflow.

#### Significant accounting policies

See accompanying notes to the financial statements

As per our report of even date attached  
For Uttam Agarwal & Associates  
Chartered Accountants  
FRN: 322455E

For and on behalf of the Board

CA Gaurav Agarwal  
Partner  
Membership No: 307455

Deepak Kumar Agarwal  
Director  
DIN : 00646153

Sanjay Kumar Chowdhary  
Director  
DIN : 08402623

Place: Kolkata  
Dated: 28.05.2022  
UDIN: 22307455ALAZYM9418

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	-	-	-	5,000.00

**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				Total
	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	
Balance as at 1 April 2020	48,064.88	11,909.71	-51,583.83	-	8,390.76
<b>Total comprehensive income for the year ended 31 March 2021</b>					
Transferred to Business Re-organisation Reserve	12.25	-	-	-	12.25
Profit or Loss	-	-	3,753.84	-	3,753.84
Additional Depreciation due to Revaluation	-	-1,528.49	1,528.49	-	-
Other comprehensive income (net of tax)	-	-	-	28.02	28.02
<b>Total comprehensive income</b>	12.25	-1,528.49	5,282.33	28.02	3,794.12
Prior period error			-	-	-
<b>Balance as at 31 March 2021</b>	<b>48,077.14</b>	<b>10,381.22</b>	<b>-46,301.50</b>	<b>28.02</b>	<b>12,184.87</b>
<b>Total comprehensive income for the year ended 31 March 2022</b>					
Transferred to Business Re-organisation Reserve	-6.09	-	-	-	-6.09
Profit or Loss	-	-	4,133.01	-	4,133.01
Additional Depreciation due to Revaluation	-	-1,534.54	1,534.54	-	-
Other comprehensive income (net of tax)	-	-	-	-	-
<b>Total comprehensive income</b>	-6.09	-1,534.54	5,667.54	-	4,126.91
<b>Balance as at 31st March 2022</b>	<b>48,071.04</b>	<b>8,846.68</b>	<b>-40,633.96</b>	<b>28.02</b>	<b>16,311.79</b>

**Significant accounting policies**

See accompanying notes to the financial statements

As per our report of even date attached  
For Uttam Agarwal & Associates  
Chartered Accountants  
FRN: 322455E

For and on behalf of the Board

CA Gaurav Agarwal  
Partner  
Membership No: 307455

Deepak Kumar Agarwal  
Director  
DIN : 00646153

Sanjay Kumar Chowdhary  
Director  
DIN : 08402623

Place: Kolkata  
Dated: 28.05.2022  
UDIN: 22307455ALAZYM9418

Binod Kumar Agrawal  
Chief Financial Officer

Ashutosh Sharma  
Company Secretary

**1 Corporate information**

SPS Steels Rolling Mills Limited ("the Company") is a listed 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 is principally engaged in the business of manufacturing and trading of iron and steel products.

**2 Basis of preparation****a) Statement of Compliance**

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

**b) Functional and presentation currency**

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs') & all values are rounded off to the nearest lakhs (Rs.00,000) except when otherwise stated.

**c) Basis of measurement**

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**d) 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:**

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is 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.

**e) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**f) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of returns, trade discounts, rebates.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company.

The Company bases its estimates on historical results, taking into consideration the type of customers, the type of transaction and the specifics of each arrangement.

**3 Significant accounting policies**

**a) 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.

**b) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial Assets**

**A) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

**B) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**C) Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss except for those equity investments for which the company has selected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and Loss when the company's right to receive payment is established.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

Financial assets at FVTOCI

A 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 at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

## ii. Financial liability

### Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

#### Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

#### Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

### Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## iii. 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.

## c) Property, Plant and Equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

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 'Other current assets'.

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.

### ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

### **iii. Depreciation and amortisation**

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

Leasehold land and relating to factory and corporate office are fully amortized over lease period or project life whichever is lower.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively as appropriate.

### **d) 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

### **e) Intangible assets**

#### **i. Initial recognition and measurement**

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost of acquisition net of recoverable taxes, trade discount & rebate less accumulated amortization/depletion if any. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses.

Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

#### **ii. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### **iii. Amortisation**

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less and the method is to be reviewed at each reporting date of intangible asset with finite useful life.



## **f) Impairment**

### **i. 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.

### **ii. 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.

## **g) Inventories:**

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises of raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

## **h) Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date.

Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss. Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupees) are accumulated in Foreign Currency Translation Reserve.

## **i) Cash and Cash Equivalents:**

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments also comprising of cash on hand, cash at bank, short term deposits that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## **j) Employee Benefits**

### **i. Short-term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

### **iii. Defined benefit plans**

#### **Gratuity:**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

#### **Leave Encashment:**

Liability for leave encashment is treated as a long term liability and is provided on the basis of valuation by an independent Actuary as at the year end.

### **k) Provisions (other than for employee benefits), Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement and are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

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.

### **l) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The company is generally the principal as it typically controls the goods before transferring them to the customer.

Generally, control is transferred upon shipment of goods to customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

### **m) Recognition of dividend income, interest income or expense**

#### **Dividends**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### **Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

### **n) 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.

#### **i. 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.

**ii. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**o) Accounting for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

**p) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**q) 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. There are no substantial events having an impact on the results of the current year Balance Sheet.

**r) Segment reporting**

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

**s) Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2022 (Continued)

Amount in Rs. Lakhs

## 4A Property, plant and equipment

	Freehold Land	Leasehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total - Property plant & Equipments	Computer software
<b>A. Gross carrying amount (at cost or deemed cost)</b>									
As at April 1, 2020	3.76	2,978.04	7,280.33	11,969.37	62.74	62.21	12.14	22,368.59	11.44
Additions		0.00	0.00	40.26	-0.00	5.01	2.05	47.32	-
Additions on Revaluation									
Deletions / Discard	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>3.76</b>	<b>2,978.04</b>	<b>7,280.33</b>	<b>12,009.63</b>	<b>62.74</b>	<b>67.22</b>	<b>14.18</b>	<b>22,415.91</b>	<b>11.44</b>
Additions	524.95	312.00	759.16	3,725.64	22.86	-	1.02	5,345.64	26.58
Additions on Revaluation									
Deletions / Discard	-	-	39.23	90.30	6.06	-	-	135.60	-
<b>As at March 31, 2022</b>	<b>528.71</b>	<b>3,290.04</b>	<b>8,000.26</b>	<b>15,644.98</b>	<b>79.54</b>	<b>67.22</b>	<b>15.20</b>	<b>27,625.95</b>	<b>38.02</b>
<b>B. Depreciation</b>									
Upto March 31, 2020	-	188.43	862.48	2,020.24	53.39	38.21	6.55	3,169.29	8.73
Additions		115.63	549.57	1,203.75	0.01	4.56	1.32	1,874.85	0.62
Deletions / Discard	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>304.06</b>	<b>1,412.05</b>	<b>3,223.99</b>	<b>53.41</b>	<b>42.77</b>	<b>7.86</b>	<b>5,044.14</b>	<b>9.35</b>
Additions		126.05	549.80	1,297.98	0.01	3.94	1.64	1,979.43	0.63
Deletions / Discard	-	-	11.51	20.34	5.39	-	-	37.24	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>430.12</b>	<b>1,950.34</b>	<b>4,501.63</b>	<b>48.02</b>	<b>46.71</b>	<b>9.51</b>	<b>6,986.32</b>	<b>9.98</b>
<b>C. Net Carrying Amount</b>									
As at March 31, 2021	3.76	2,673.98	5,868.28	8,785.65	9.33	24.45	6.32	17,371.78	2.09
As at March 31, 2022	528.71	2,859.92	6,049.92	11,143.34	31.52	20.51	5.70	20,639.63	28.04

(1) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

(2) For details of assets pledged as security refer Note 13.

## 4B Capital Work-in-Progress (CWIP)

	CWIP
<b>A. Gross carrying amount (at cost or deemed cost)</b>	
As at April 1, 2020	94.84
Additions	2,653.14
Capitalised	-
<b>As at March 31, 2021</b>	<b>2,747.97</b>
Additions**	8,857.96
Capitalised	-4,485.83
<b>As at March 31, 2022</b>	<b>7,120.10</b>

\*\*Addition include Rs 61.02 crores for ongoing projects at Unit-II

SPS STEELS ROLLING MILLS LIMITED  
Notes to the financial statements for the year ended 31st March 2022 (Continued)

		Amount in Rs. Lakhs	
		As at 31.03.2022	As at 31.03.2021
<b>5</b>	<b>Financial assets</b>		
<b>5(a)</b>	<b>(a) Investment in equity instruments (at fair value through other comprehensive income)</b>		
	<b><u>Unquoted, other than trade</u></b>		
	Shivalik Solid Waste Management Ltd 250 (31st March 2021 - 250, 1 April 2020 - 250)	0.03	0.03
	Equity Shares of Rs. 10/- each		
	<b>Total</b>	<b>0.03</b>	<b>0.03</b>
	<b>Aggregate carrying value of unquoted investments</b>	<b>0.03</b>	<b>0.03</b>
	<b><u>Non-current</u></b>		
<b>5(b)</b>	<b>Bank balances other than cash &amp; cash equivalents</b>		
	Deposits with Banks	5,454.69	857.79
		<b>5,454.69</b>	<b>857.79</b>
<b>5(c)</b>	<b>Other Financial Assets</b>		
	<b><u>Non-current</u></b>		
	Security deposit	211.09	1,105.07
	Share Application pending allotment- SPS Metal Cast & Alloys Ltd.*	1,300.00	-
	<b>Total</b>	<b>1,511.09</b>	<b>1,105.07</b>
	*Shares Alloted on 4th May 2022		
	<b><u>Current</u></b>		
	- Earnest money deposit	-	-
	Deposits with UCO bank	-	2,000.14
	Less - OD from UCO Bank against FD	-	-1,900.00
		-	100.14
	- loan to body corporate		
	Related Party	868.94	153.00
	Other	721.04	100.00
	<b>Total</b>	<b>1,589.98</b>	<b>353.14</b>
	Loan receivables - Considered Good - Secured:	-	-
	Loan receivables - Considered Good - Unecured:	1,589.98	353.14
	Loan receivables which have significant increase in credit risk:	-	-
	Loan receivables - Credit Impaired:	-	-
<b>6</b>	<b>Other assets</b>		
<b>6(a)</b>	<b><u>Non-Current</u></b>		
	Capital advances	4,958.79	861.55
	<b>Total</b>	<b>4,958.79</b>	<b>861.55</b>
<b>6(b)</b>	<b><u>Current</u></b>		
	Advances other than capital advances		
	- Balances with government authorities	566.70	-
	- Advance for supplies	7,876.39	5,366.14
	- Advance to employees	8.51	9.89
	- Pre-paid expenses	12.97	0.10
	<b>Total</b>	<b>8,464.55</b>	<b>5,376.13</b>
<b>7</b>	<b>Inventories</b>		
	(Valued at lower of cost and net realisable value)		
	Raw materials	5,079.55	2,447.71
	Finished goods	4,574.03	2,304.66
	Stock in trade**	1,094.29	650.85
	Stores and spares	4,476.26	1,531.44
	<b>Total</b>	<b>15,224.13</b>	<b>6,934.65</b>
	(1) The mode of valuation of inventories has been stated in Note 3(g).		
	(2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2022(refer note 13).		
	(3) Cost of inventory recognised as an expense.		
	**Note Stock in trade of last year include stock in transit of Rs 403.47 Lacs		
<b>8</b>	<b>Trade receivables</b>		
	Unsecured, considered good	14,366.41	14,689.13
	Less: Allowance for doubtful debts	-	-
		<b>14,366.41</b>	<b>14,689.13</b>
	Significant increase in Credit Risk	10,575.00	10,680.46
	Less: Allowance for doubtful debts	6,436.86	6,458.90
		<b>4,138.14</b>	<b>4,221.56</b>
	<b>Total</b>	<b>18,504.56</b>	<b>18,910.68</b>

As at  
31.03.2022

As at  
31.03.2021

**Trade Receivables ageing schedule as on 31.03.2022**

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 receivables — 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

**Trade Receivables ageing schedule as on 31.03.2021**

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 receivables — considered good	13,305.72	1,383.40	-	-	-	14,689.13
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	10,680.46	10,680.46

**9 Cash and cash equivalents**

Balances with banks		
- Current accounts	42.44	15.30
Cash in hand	9.66	20.75
<b>Total</b>	<b>52.10</b>	<b>36.05</b>

**10 Current tax assets (net)**

Income tax payments (net of provisions)	314.97	202.06
<b>Total</b>	<b>314.97</b>	<b>202.06</b>

**11 Equity share capital**

**Authorised**

5,00,00,000 (31st March 2022 - 5,00,00,000, 1 April 2021 - 5,00,00,000) Equity Shares of Rs. 10/- each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>

**Issued, subscribed and fully paid-up\***

5,00,00,000 (31st March 2022 - 5,00,00,000, 1 April 2021 - 5,00,00,000) Equity Shares of Rs.10/- each fully Paid up	5,000.00	5,000.00
	<b>5,000.00</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 2022		As at 31st March 2021	
	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 : Issue during the year	-	-	-	-
Balance as at the end of the year	<b>5,00,00,000</b>	<b>5,000.00</b>	<b>5,00,00,000</b>	<b>5,000.00</b>

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

The Company has equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. 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 promoters at the end of the year:**

Promoters Name	No of Shares	% of Total Shares	% Change During the Year
1) Krishna Sudama Marketing Private Limited	30,00,000	6.00%	-
2) Swapno Marketing Private Limited	80,00,000	16.00%	-
3) Aryavrat Plot Managers Private Limited	91,91,406	18.38%	6.13
4) BMS Sales Private Limited	72,91,342	14.58%	-

			As at 31.03.2022	As at 31.03.2021	
C.	Particulars of shareholders holding more than 5% shares of fully paid up equity shares				
	As at 31st March 2022		As at 31 March 2021		
	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	19.95%	99,75,000	19.95%
	Krishna Sudama Marketing Private Limited	30,00,000	6.00%	30,00,000	6.00%
	Swapno Marketing Private Limited	80,00,000	16.00%	80,00,000	16.00%
	Aryavrat Plot Managers Private Limited	91,91,406	18.38%	97,91,406	19.58%
	BMS Sales Private Limited	72,91,342	14.58%	72,91,342	14.58%
	Indian Overseas Bank	26,50,456	5.30%	26,50,456	5.30%
	Indian Bank	26,79,691	5.36%	26,79,691	5.36%

## 12 Other Equity

Refer statement of changes in equity for detailed movement in equity balance

A. Summary of other equity balance	1 April 2021	Movement during the year	31st March 2022	1 April 2020	Movement during the year
Business Re-organisation Reserve (a)	48,077.14	-6.09	48,071.04	48,064.88	12.25
Revaluation Reserve* (b)	10,381.22	-1,534.54	8,846.68	11,909.71	-1,528.49
Retained earnings* (c)	-46,301.50	5,667.54	-40,633.96	-51,583.83	5,282.33
Equity instruments through other comprehensive income (d)	28.02	-	28.02	-	28.02
<b>Total</b>	<b>12,184.87</b>	<b>4,126.91</b>	<b>16,311.79</b>	<b>8,390.76</b>	<b>3,794.12</b>
* Revaluation Reserve		Retained earnings			
Opening Balance	10,381.22	-46,301.50			
Additional Depreciation due to Revaluation	-1,534.54	1,534.54			
Profit / (loss) for the year	-	4,133.01			
Net Movement during the year	-1,534.54	5,667.54			
Closing Balance	8,846.68	-40,633.96			

During FY 2019-20, revaluation of Fixed Assets has (Net addition of INR 13369.00 lakhs) been done as per the Report of Registered Valuer. Depreciation on the enhanced amount on revaluation amounting to INR 1534.54 lakhs (PY INR 1528.49 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 and effects of remeasurement of defined benefit obligations. 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.

## 13 Borrowings

### 13(a) Non-current borrowings

#### Secured

#### Loan from bank

- Term loans from Punjab National Bank	13,986.56	16,201.07
Less: Current maturities of non-current borrowings	-3,000.00	-2,200.00
- Term loans from Punjab National Bank	4,515.75	-
Less: Current maturities of non-current borrowings	-1,129.00	-
- Term loans from Punjab National Bank	2,561.47	-
Less: Current maturities of non-current borrowings	-	-
-Covid-19 Emergency CF from Punjab National Bank	75.60	583.00
Less: Current maturities of non-current borrowings	-75.60	-468.00
- GECL loans from Punjab National Bank	2,257.48	-
Less: Current maturities of non-current borrowings	-	-

	As at 31.03.2022	As at 31.03.2021
- Term loans from Indian Bank	2,577.36	-
Less: Current maturities of non-current borrowings	-	-
-Auto loan from Punjab National Bank	24.02	-
Less: Current maturities of non-current borrowings	-4.17	-
<b>Unsecured</b>		
Loans from bodies corporates	-	-
Related Parties	-	-
Others	10,500.00	5,370.00
Less: Current maturities of non-current borrowings	-	-
<b>Total</b>	<b>32,289.48</b>	<b>19,486.07</b>

#### Secured loan

##### 1. Punjab National Bank:

##### Term Loans Security:

Secured by 1st pari passu charge on all the fixed assets of the company movable as well as immovable, both present and future, including CWIP and the proposed expansion project under consortium located at Dr Zakir Hussain Avenue, GT Road, Durgapur, West Bengal, Assignment of Brand "Elegant", Collaterally Secured by mortgaged of Immovable property of a group company amounting of Rs 2 crores approx, 2nd Pari-passu charge on current assets of the company & guarantee of the directors of the company and relative of directors and corporate guarantee of group companies.

**Auto Loan Security:** Against hypothecation of vehicle.

##### Repayment terms:

Term loan from Punjab National Bank , for Limit of Rs. 165 Crores carries interest @ base rate plus a spread of 2.05% p. a. and is repayable in 20 quarterly instalments varying from Rs. 4 Crore to Rs.12.25 Crore beginning from September 2019.

Term loan from Punjab National Bank , for Limit of Rs. 45.16 Crores carries interest @ base rate plus a spread of 2.65% p. a. and is repayable in 48 Equated monthly instalments of Rs. 0.94 Crore beginning from April 2022.

Term loan from Punjab National Bank , for Limit of Rs. 30 Crores carries interest @ base rate plus a spread of 2.65% p. a. and is repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.

Covid-19 Emergency CF - Covid-19 Emergency CF from Punjab National Bank , carries interest @ base rate plus a spread of 0.05% p. a. and is repayable in 18 monthly instalments of Rs. 39 lacs beginning from January 2021.

GECL loan from Punjab National Bank , for Limit of Rs. 22.58 Crores carries interest @ 8.25% p. a. and is repayable in 48 Equated monthly instalments of Rs. 47.04 lacs beginning from January 2024.

Term loan from Indian Bank , for Limit of Rs. 30 Crores carries interest @ base rate plus a spread of 2.65% p. a. and is repayable in 30 Equated quarterly instalments of Rs. 1 Crore beginning from June 2023.

Auto Loan from PNB carries interest @6.85% p.a. is repayable in 60 Equated monthly instalments of Rs. 0.47 lacs beginning from April 2022.

For current maturities of non-current borrowings refer disclosure under the head other financial liabilities - current (refer note 13(b))

#### 13(b) Current borrowings

##### Secured

Working capital loan from banks

- Working capital loans from Punjab National Bank	8,629.59	5,619.39
- Working capital loans from Indian Bank	3,000.54	-
- Working capital loans from Canara Bank	1,351.70	-
	<b>12,981.83</b>	<b>5,619.39</b>

Current maturities

- Term loan from bank	4,208.77	2,668.00
	<b>4,208.77</b>	<b>2,668.00</b>
	<b>17,190.60</b>	<b>8,287.39</b>

##### Nature of security

1st pari passu charge on all the Current assets , present and future, including stocks, book debts and other current assets of iron and steel materials, stores at Dr. Zakir Hussain Avenue, G.T.Road, Durgapur under consortium, Mortgaged of Immovable property of a group company amounting of Rs 2 crores approx, 2nd Pari-passu charge by assignment of Brand "Elegant" with company's fixed assets at said unit.

##### Rate of interest

Working capital loan from bank carries interest @ base rate plus a spread of 2.05% p. a.

The company has borrowings from banks or financial institutions on the basis of security of current assets & quarterly returns or statements

of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.



	As at 31.03.2022	As at 31.03.2021			
<b>14 Other financial liabilities</b>					
<b>Current</b>					
Accrued compensation to employees*	17.68	-			
<b>Total</b>	<b>17.68</b>	<b>-</b>			
<b>15 Provisions</b>					
<b>Non-current</b>					
Provisions for employee benefits					
- Provision for gratuity	216.78	182.31			
- Provision for leave salary	43.56	25.38			
<b>Total</b>	<b>260.34</b>	<b>207.69</b>			
<b>Current</b>					
Provisions for employee benefits					
- Provision for gratuity	21.38	11.80			
- Provision for leave salary	3.66	2.05			
<b>Total</b>	<b>25.04</b>	<b>13.85</b>			
<b>16 Trade payables</b>					
<b>Dues to others</b>					
- For goods and services	5,968.51	3,937.34			
- For other expenses	4,149.93	4,007.95			
<b>Total</b>	<b>10,118.44</b>	<b>7,945.29</b>			
<b>Trade Payables ageing schedule as on 31.03.2022</b>					
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	624.98	-	-	-	624.98
Others	9,067.26	426.20	-	-	9,493.46
<b>Trade Payables ageing schedule as on 31.03.2021</b>					
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	-	-	-	-	-
Others	7,945.29	-	-	-	7,945.29
<b>17 Other liabilities</b>					
<b>Revenue received in advance</b>					
Advance from customer	2,540.58				1,225.33
<b>Others</b>					
Statutory liabilities	108.72				408.47
<b>Total</b>	<b>2,649.30</b>				<b>1,633.80</b>
	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>			
<b>18 Revenue from operations</b>					
Sale of products					
- Finished goods	1,05,859.18	92,084.43			
- Traded goods*	38,576.07	12,438.29			
(* "ELEGANT®" Manufactured from third party)					
Gross revenue from sale of products and services including GST of Rs.22092.26 lakhs (LY Rs. Rs.16147.05 lakhs)	1,44,435.26	1,04,522.72			
<b>Other operating revenues</b>					
- Sale of raw material/ stores	1,678.59	1,341.27			
<b>Total revenue from operations</b>	<b>1,46,113.84</b>	<b>1,05,863.98</b>			
Less : Duties & Taxes	22,092.26	16,147.05			
<b>Net revenue from operations</b>	<b>1,24,021.58</b>	<b>89,716.94</b>			

	Year ended 31.03.2022	Year ended 31.03.2021
<b>19 Other income</b>		
Interest income comprises interest from:		
- Deposits with banks - carried at amortised cost	28.43	50.76
- Others	70.14	53.19
Other non-operating income		
Insurance claim received	-	0.65
Licence Income	116.53	88.68
Dividend Income	0.00	0.02
Miscellaneous receipt	1.00	9.47
Sundry Balances Witten back	6.56	77.24
<b>Total</b>	<b>222.67</b>	<b>280.01</b>
<b>20 Cost of materials consumed</b>		
Inventory of raw materials at the beginning of the year	2,447.71	3,172.46
Add: Purchases	57,986.46	51,688.56
	60,434.17	54,861.02
Less: Inventory of raw materials at the end of the year	-5,079.55	-2,447.71
<b>Cost of materials consumed</b>	<b>55,354.61</b>	<b>52,413.32</b>
<b>21 Purchase of traded goods</b>	-	-
Purchase of traded goods	44,473.64	11,957.47
<b>Total</b>	<b>44,473.64</b>	<b>11,957.47</b>
<b>22 Change in inventories of finished goods and stock in trade</b>	-	-
<b>Opening stock</b>		
Finished goods	2,304.66	735.96
Traded goods	650.85	325.80
<b>Closing inventories</b>		
Finished goods	-4,574.03	-2,304.66
Traded goods	-1,094.29	-650.85
<b>Total</b>	<b>-2,712.82</b>	<b>-1,893.75</b>
<b>23 Employee benefits expense</b>	-	-
Salaries and Wages	1,687.52	1,386.23
Director Remuneration	30.00	31.45
Contribution to provident and other funds	163.74	122.55
Staff welfare expenses	9.33	13.17
<b>Total</b>	<b>1,890.59</b>	<b>1,553.39</b>
<b>24 Finance costs</b>	-	-
Interest expense		
- on borrowings measured at amortised cost	2,285.60	2,357.75
- others	138.52	45.09
<b>Total</b>	<b>2,424.12</b>	<b>2,402.84</b>

	Year ended 31.03.2022	Year ended 31.03.2021
<b>25 Other expenses</b>		
<b>A Manufacturing Expenses</b>		
Stores and consumables	1,550.70	1,293.10
Power and fuel consumed	4,096.99	5,509.75
Processing Labour Charges	1,478.05	1,467.43
Water charges	23.32	29.93
Repairs and maintenance		
- Buildings	38.89	49.21
- Plant and machinery	71.63	104.42
<b>B Administrative Expenses</b>		
Rates and taxes	36.05	12.87
Insurance charges	6.85	19.10
Bank charges	285.65	2.84
Rent	66.31	18.59
Repairs and maintenance		
- Others	5.06	35.33
Security Charges	183.46	191.54
Hire Charges	213.60	155.37
Telephone Expenses	2.38	2.03
Travelling and conveyance	192.82	108.26
Payment to auditor (Refer note 25(a))	1.85	1.85
Legal and professional charges	135.96	107.65
CSR expenditure	28.22	5.85
Freight charges	1,969.25	431.93
Commission on sales	1,102.87	1,048.16
Business Promotion Expenses	2,596.69	2,116.74
Advertisement expense	1,940.82	3,226.82
Loss on sale of property, plant and equipments	54.36	-
Allowance for doubtful debts	591.78	1,965.47
Miscellaneous expenses	27.48	30.12
<b>Total</b>	<b>16,701.04</b>	<b>17,934.37</b>
<b>(a) Payment to auditor</b>	-	-
As auditor:		
- Statutory audit	1.50	1.50
- Tax audit	0.35	0.35
	<b>1.85</b>	<b>1.85</b>
<b>26 Deferred tax liabilities and assets</b>		
<b>Deferred tax assets</b>		
Others	18,231.18	18,468.54
<b>Deferred tax liability</b>		
Property, Plant and Equipment	-3,856.81	-3,090.27
<b>Net deferred tax asset not recognised in Balance Sheet</b>	<b>14,374.37</b>	<b>15,378.27</b>

The Company has recognised deferred tax assets only to the extent of deferred tax liabilities arising during the year. In assessing the realizability of deferred tax assets, management considers whether some portion or all of deferred tax assets will not be realized. The ultimate realization of deferred tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognized deductible differences. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Company. Of the above, some tax losses expire at various dates.

	Year ended 31.03.2022	Year ended 31.03.2021
<b>27 Basic and diluted earnings per share (Ind AS 33)</b>		
(a) Profit attributable to equity shareholders of the company used in calculating basic earnings per share (Rs. in lakhs)	4,133.01	3,781.86
(b) Profit attributable to equity shareholders of the company used in calculating diluted earnings per share (Rs. in lakhs)	4,133.01	3,781.86
(c) Weighted average number of ordinary shares (in Lacs) outstanding for the purpose of basic earnings per share	500	500
(d) Weighted average number of ordinary shares (in Lacs) in computing diluted earnings per share	500	500
(g) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
– Basic [(a)/(c)]	8.27	7.56
– Diluted [(b)/(d)]	8.27	7.56

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

On April 8, 2019, the National Company Law Tribunal ("NCLT") approved the terms of the Resolution Plan submitted by Shakambhari Ispat and Power Limited ("SIPL"), which provides, inter alia, the acquisition of the Company by SIPL. As per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof. No new contingent liability exist since April 2019 except Bank Guarantees mentioned below:

Bank Guarantees outstanding amounting to INR 1855.03 lakhs against which margin money deposited with Bank for INR 546.67 lakhs.

**29 Corporate Guarantees- Continuation to Note on Contingent Liability**

No Corporate guarantee is issued to any Bank or Financial Institution during the year.

**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.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

<b>(a) Revenue from operations</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>Particulars</b>		
within India	1,46,113.84	1,05,863.98
outside India	-	-
<b>Total</b>	<b>1,46,113.84</b>	<b>1,05,863.98</b>

**(b) Non-current assets**

All Non-current assets are located in India.

**31 Employee Benefits**

**(a) Defined contribution plans:**

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

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Employer's contribution to Provident Fund and ESIC	80.20	157.62

(b) Defined benefit plans:

Statement of Assets and Liabilities for defined benefit obligation

	Leave Encashment		Gratuity	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Net defined benefit obligation	47.22	27.43	238.16	194.11
Net defined benefit asset	-	-	-	-
<b>Total employee benefit liabilities</b>	<b>47.22</b>	<b>27.43</b>	<b>238.16</b>	<b>194.11</b>
<b>Non-current</b>	<b>43.56</b>	<b>25.38</b>	<b>216.78</b>	<b>182.31</b>
<b>Current</b>	<b>3.66</b>	<b>2.05</b>	<b>21.38</b>	<b>11.80</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	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
(a) Balance at the beginning of the year	27.43	25.36	194.11	204.10
(b) Current service cost	15.53	6.42	31.09	29.20
(c) Interest cost	1.89	1.67	13.39	13.47
(d) Past service cost	-	-	-	-
(e) Actuarial (gains)/ losses recognised in other comprehensive income				
- demographic assumptions	-	-	-	-
- financial assumptions	-1.77	-0.79	-8.73	-5.99
- experience adjustment	6.57	-2.81	25.57	-22.03
(f) Benefits paid	-2.44	-2.42	-17.27	-24.63
<b>(g) Balance at the end of the year</b>	<b>47.22</b>	<b>27.43</b>	<b>238.16</b>	<b>194.11</b>

(ii) Expense recognised in Profit or Loss	Leave Encashment		Gratuity	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
(a) Current service cost	15.53	6.42	31.09	29.20
(b) Interest cost	1.89	1.67	13.39	13.47
(c) Past service cost	-	-	-	-
(d) Actuarial (gains) / losses	4.80	-3.60	16.84	-28.02
<b>Amount charged to Profit or Loss</b>	<b>22.23</b>	<b>4.49</b>	<b>61.32</b>	<b>14.65</b>

(iii) Remeasurements recognised in Other Comprehensive Income	Leave Encashment		Gratuity	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
(a) Actuarial loss/ (gain) arising on defined benefit obligation from				
- demographic assumptions	-	-	-	-
- financial assumptions	-1.77	-0.79	-8.73	-5.99
- experience adjustment	6.57	-2.81	25.57	-22.03
(b) Actual return on plan asset less interest on plan asset	-	-	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>4.80</b>	<b>-3.60</b>	<b>16.84</b>	<b>-28.02</b>

(iv) Reconciliation of present value of plan assets	Leave Encashment		Gratuity	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
(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	2.44	2.42	17.27	24.63
(e) Benefits paid	-2.44	-2.42	-17.27	-24.63
<b>(f) Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(v) Actuarial assumptions	Leave Encashment		Gratuity	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Discount rate (in %)	7.30%	6.90%	7.30%	6.90%
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)	19.27	19.47	19.27	19.47

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	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Defined benefit obligation on discount rate plus 100 basis points	51.85	30.22	260.98	215.20
Defined benefit obligation on salary growth rate plus 100 basis points	42.83	24.81	217.30	175.11
Defined benefit obligation on attrition rate plus 50 basis points	46.22	26.96	234.73	191.61
Defined benefit obligation on mortality rate plus 50 basis points	47.08	27.36	237.50	193.60
Defined benefit obligation on discount rate minus 100 basis points	43.24	25.04	218.37	175.98
Defined benefit obligation on salary growth rate minus 100 basis points	52.27	30.45	261.86	215.89
Defined benefit obligation on attrition rate minus 50 basis points	48.10	27.85	241.17	196.27
Defined benefit obligation on mortality rate minus 50 basis points	47.35	27.50	238.80	194.62

(vii) Weighted average duration of defined benefit obligation (based on discounted cash flow)	Leave Encashment		Gratuity	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
In years	9	10	10	11

(viii) Maturity profile of defined benefit obligation (valued on undiscounted basis)

	Leave Encashment		Gratuity	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Within the next 12 months	3.66	2.05	21.38	11.80
Between 1 and 5 years	14.27	5.99	71.46	42.98
Between 5 and 10 years	20.10	14.36	110.95	94.63
More than 10 years	71.87	38.61	324.84	297.12

32 Related Party Disclosures

Key Management Personnel (KMP)

Mr. Deepak Kumar Agarwal  
Mr. Ramabatar Agarwal  
Mr. Sanjay Kumar Chowdhary

Nature of Relationship

Chairman & Managing Director (CMD)  
Executive Director (ED)  
Executive Director (ED)

Enterprises owned or significantly influenced by key management personnel or their relatives

Shakambhari Ispat & Power Ltd.  
Bravo Sponge Iron Pvt. Ltd.  
Eloquent Steel Pvt. Ltd.  
Shivratri Vyapaar Pvt.Ltd.  
Eloquent Steel Iron Pvt Ltd.  
SPS Metsal Cast & Alloys Ltd.

The following transactions were carried out with related parties in the ordinary course of business: (Amount in Rs.Lacs)

Nature of transaction	Name of related party	Transaction for the year ended	
		31-03-2022	31-03-2021
Purchase of Goods	Shakambhari Ispat & Power Ltd.	58,370.60	30,613.80
	Bravo Sponge Iron Pvt. Ltd.	22,865.21	13,620.96
	Eloquent Steel Pvt. Ltd.	8,353.94	5,744.77
Sale of Goods	Shakambhari Ispat & Power Ltd.	14,171.21	3,202.02
	Bravo Sponge Iron Pvt. Ltd.	560.56	1,292.50
	Eloquent Steel Pvt. Ltd.	238.47	1,154.46
Receiving of Service			
Director Remuneration	Mr. Deepak Kumar Agarwal	24.00	24.00
Director Remuneration	Mr. Sanjay Kumar Chowdhary	6.00	7.45
Rent	Eloquent Steel Iron Pvt Ltd	48.33	13.20
Unsecured Loan Received/(Paid ) (Net)	Shakambhari Ispat & Power Ltd (Covid Loan-PNB)*	-	-583.00
	Shakambhari Ispat & Power Ltd.(Loan - Long Term)	-	-5,000.00
	Shakambhari Ispat & Power Ltd.(Loan - Short Term)	-	-40.05
	(*Bank Transferred Loan accounts from Shakambhari Ispat & Power Ltd. to SPS Steels Rolling Mills Ltd)		
	Shivratri Vyapaar Pvt.Ltd.	750.00	-
Share Application Given (Pending Allotment)	SPS Metsal Cast & Alloys Ltd.	1,300.00	-
Unsecured Loan Given/(Refunded ) (Net)	SPS Metsal Cast & Alloys Ltd.	3.94	-

**Outstanding balances:**

Name of related party	Balance for the year ended	
	31-03-2022	31-03-2021
Shakambhari Ispat & Power Ltd.	-	-583.00
Bravo Sponge Iron Pvt. Ltd.	-	-
Eloquent Steel Pvt. Ltd.	-	-
Shivratri Vyapaar Pvt.Ltd.	1,006.27	2,064.25
Eloquent Steel Iron Pvt Ltd (Loan Given)	865.00	853.41
Eloquent Steel Iron Pvt Ltd( Security Deposit)	70.00	-
SPS Metsal Cast & Alloys Ltd.(Share Application)	1,300.00	-
SPS Metsal Cast & Alloys Ltd.(Loan Given)	3.94	-
Mr. Deepak Kumar Agarwal	-	-
Mr. Sanjay Kumar Chowdhary	-0.45	-2.99

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 purchase 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 last financial year. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**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 comprises 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	YEAR ENDED	YEAR ENDED
	31.03.2022	31.03.2021
Loss allowance at the beginning of the year	6,458.90	6,542.32
Change in allowance during the year	-22.04	-83.41
Loss allowance at the end of the year	6,436.86	6,458.90



(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

**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**

<u>As at 31 March 2022</u>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	17,190.60	32,289.48	-	49,480.07
Trade payables	9,692.24	426.20	-	10,118.44
Other financial liabilities	17.68	-	-	17.68
	<b>26,900.52</b>	<b>32,715.68</b>	<b>-</b>	<b>59,616.20</b>
<u>As at 31 March 2021</u>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings	8,287.39	19,486.07	-	27,773.47
Trade payables	7,945.29	-	-	7,945.29
Other financial liabilities	-	-	-	-
	<b>16,232.69</b>	<b>19,486.07</b>	<b>-</b>	<b>35,718.76</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 effect 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:

<b>Particulars</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Fixed rate instruments</b>		
Financial assets	5,454.69	857.79
Financial liabilities	(34,627.83)	(22,403.47)
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

**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 these investments.

(c) **Currency risk**

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

**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) to 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.

The Company's equity share capital comprises of 5,00,00,000 shares as on 31st March, 2022 (5,00,00,000 shares as on 31st March, 2021 ) of Rs. 10 each aggregating to Rs. 5,000.00 lacs as on 31st March, 2022 (Rs. 5,000.00 lacs as on 31st March, 2021). Other equity aggregates to Rs. 16311.79 lacs (Rs. 12184.87 lacs as on 31st March, 2021 )

Its total debt is Rs. 49480.07 lacs as on 31st March 2022 (Rs. 27773.47 lacs as on 31st March 2021 )

**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 there 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 claassified as Level 2.

**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 2022		As at 31st March 2021	
		Carrying	Fair value	Carrying	Fair value
			Level 3		Level 3
<b>A. Financial assets:</b>					
<b>a) Measured at amortised cost</b>					
Other financial assets	5(b)	3,101.07	-	1,458.21	-
Trade receivables	8	18,504.56	-	18,910.68	-
Cash and cash equivalents	9	52.10	-	36.05	-
Loans	10	-	-	-	-
<b>b) Measured at fair value through other comprehensive income</b>					
Investments	5(a)	0.03	0.03	0.03	0.03
<b>B. Financial liabilities:</b>					
<b>a) Measured at amortised cost</b>					
Borrowings	13	49,480.07	-	27,773.47	-
Other financial liabilities	14	17.68	-	-	-
Trade payables	16	10,118.44	-	7,945.29	-

**36 CSR DISCLOSURE**

Amount required to be spent by the company during the year

27.68

Amount of expenditure incurred

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

**37 RATIO ANALYSIS**

	As at 31.03.2022	As at 31.03.2021	(Rs. In Lakhs) As at 31.03.2022	As at 31.03.2021
<b>a) Current Ratio</b>				
Current Assets	44,150.29	31,812.71	49,480.07	27,773.47
Current Liabilities	30,001.06	17,880.34	21,311.79	17,184.87
<b>CA/CL</b>	<b>1.47</b>	<b>1.78</b>	<b>2.32</b>	<b>1.62</b>
<b>b) Debt- Equity Ratio</b>				
Debt				
Shareholder's				
Equity				
<b>Debt- Equity Ratio</b>			<b>2.32</b>	<b>1.62</b>

**c) Debt - Service Coverage Ratio**

EBDIT	8,537.18	8,032.14
Debt Repayment	5,146.03	2,848.90
<b>DSCR</b>	<b>1.66</b>	<b>2.82</b>

**d) Return on Equity Ratio**

Profit after Tax (PAT)	4,133.01	3,753.84
Average Shareholder's Equity	19,248.33	15,287.80
<b>Return on Equity Ratio (ROE)</b>	<b>0.21</b>	<b>0.25</b>

**e) Inventory Turnover Ratio**

Average Stock	11,079.39	5,886.69
Net Turnover	1,24,021.58	89,716.94
<b>Inventory Turnover Ratio</b>	<b>11.19</b>	<b>15.24</b>

**f) Trade receivables turnover ratio**

Average Debtors	18,707.62	16,192.85
Gross Turnover	1,46,113.84	1,05,863.98
<b>Trade receivables turnover ratio</b>	<b>7.81</b>	<b>6.54</b>

**g) Trade payables turnover ratio**

Average Trade Payables for goods	4,952.93	2,421.48
Purchase	1,02,460.10	63,646.03
<b>Creditor Turnover Ratio</b>	<b>20.69</b>	<b>26.28</b>

**h) Net capital turnover ratio**

Net Turnover	1,24,021.58	89,716.94
Average Net Working Capital	9,300.61	5,434.39
<b>Net capital turnover ratio</b>	<b>13.33</b>	<b>16.51</b>

**i) Net profit ratio**

Net Profit (PAT)	4,133.01	3,753.84
Net Turnover	1,24,021.58	89,716.94
<b>Net Profit Ratio</b>	<b>0.03</b>	<b>0.04</b>

**j) Return on capital employed**

Earnings before Interest & Tax	6,557.12	6,156.68
Capital Employed (Tangible Networth+ Total Debt+ Deferred Tax Liability)	70,791.86	44,958.34
<b>Return on capital employed</b>	<b>0.09</b>	<b>0.14</b>

Debt Equity Ratio : Company has taken more debt to move ahead with its expansion plans.

Inventory Turnover Ratio : Company has managed to reduce input cost and increase sales.

Debt Service Coverage Ratio : Due to increase in debt because of expansion plans, it has gone up.

Return on Capital Employed : Due to increase in operating expenses.

**38 Capital Work in Progress ageing schedule**

Amount in CWIP as on 31.03.2022					
	Less than 1	1-2 years	2-3 years	More than 3 years	Total*
Projects in progress	7,120.10				7,120.10

Amount in CWIP as on 31.03.2021					
	Less than 1	1-2 years	2-3 years	More than 3 years	Total*
Projects in progress	2,747.97				2,747.97

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

As per our report of even date attached

For Uttam Agarwal & Associates

Chartered Accountants

FRN: 322455E

For and on behalf of the Board

CA Gaurav Agarwal

Partner

Membership No: 307455

Deepak Kumar Agarwal

Director

DIN : 00646153

Sanjay Kumar Chowdhary

Director

DIN : 08402623

Place: Kolkata

Dated: 28.05.2022

UDIN: 22307455ALAZYM9418

Binod Kumar Agrawal

Chief Financial Officer

Ashutosh Sharma

Company Secretary

## NOTES

[illegible]

## NOTES

[illegible]

## NOTES

[illegible]

# 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, **E-Mail:** compliance@shakambharigroup.in, **Phone:** 033-6625 5252  
**CIN -** L51909WB198111PLC034409

## ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the hall:

I, hereby record my attendance at the 40<sup>th</sup> Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Saturday, 30<sup>th</sup> day of July, 2022 at 10.30 A.M at the Registered Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7<sup>th</sup> Floor, Room No.701, Kolkata-700017

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

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

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

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN
120377		

**Note:** E-voting period:27<sup>th</sup> July, 2022 at 10.00 a.m IST and ends on 29<sup>th</sup> July, 2022 at 05.00 p.m. IST.

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

(Member's /Proxy's Signature)

### **Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



# 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, **E-Mail:** 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 40th Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Saturday, 30<sup>th</sup> July, 2022 at 10.30 A.M at the Registered Office of the Company at Diamond Prestige, 41 A A.J.C Bose Road, 7th Floor, Room No.701, Kolkata-700017 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.	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2022 and the reports of the Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Ramabatar Agarwal (DIN: 02930064) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint M/s. V. Singhi & Associates, Chartered Accountants as Statutory Auditors from the conclusion of 40th Annual General Meeting until the conclusion of the 45th Annual General Meeting and to fix their remuneration		
4.	Ratification of remuneration of M/s Sohan Lal Jalan & Associates, Cost Accountants in Practice (Firm registration no.: 000521), Cost Auditor of the company, for the financial year 2022-23		
5.	To increase the Authorised Share Capital of the Company		
6.	Alteration in the Capital Clause of Memorandum of Association		
	<b>Special Resolutions</b>		
7.	Increase in remuneration of Mr. Deepak Kumar Agarwal (DIN: 00646153), Managing Director of the Company		
8.	To re-appoint Mr. Sanjay Kumar Chowdhary (DIN-08402623) as a Whole Time Director of the Company and fixing its remuneration		
9.	Approval for Related Party Transactions		
10.	Authority to Give Loans and Make Investments		
11.	Increase in borrowing limits from Rs 1,000 crores to Rs 5,000 crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher		
12.	Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013		
13.	Alteration/ Deletion of article 1 (a) and article 76 of the Article of Association.		
14.	Issue of equity shares on preferential allotment/private placement basis		

\* Applicable for investors holding shares in Electronic form.

Affix Revenue  
Stamps

# 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

=====

Signed this \_\_\_\_ day of \_\_\_\_ 20\_\_

Signature of Shareholder

Signature of Proxy holder  
Revenue Stamp

Signature of the shareholder across

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