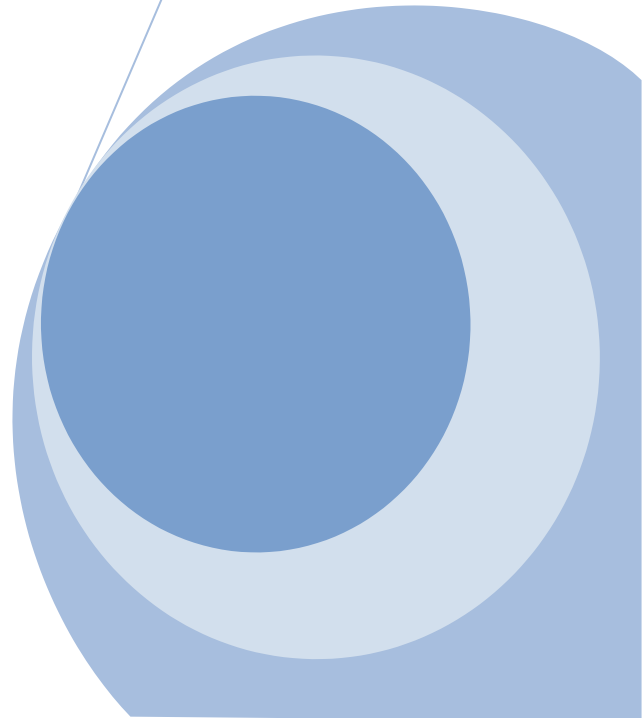
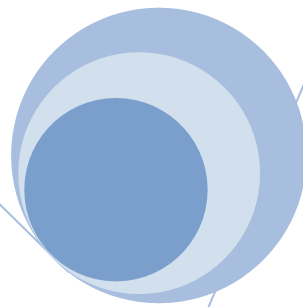


39TH Annual Report 2020-2021



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
Additional Independent Director (W.E.F-13-08-2021)

Chief Financial Officer

Mr. Binod Kumar Agarwal

Company Secretary

Mr. Ashutosh Sharma

Statutory Auditors

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

Cost Auditors

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

Bankers

Punjab National Bank
Indian Bank

Registered Office:

“Diamond Prestige”
41 A, A.J.C Bose Road
7th Floor, Room No 701
Kolkata-700001
Telefax- 033-6625 5252
Website- www.spsgroup.co.in
Email- compliance@shakambharigroup.in
CIN- L51909WB198111PLC034409

Works

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Thursday, the 30th day of September, 2021 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 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 31st March, 2021 and the reports of the Directors' and Auditors' thereon.

Item No 2. Re-Appointment of Director.

To appoint a Director in place of Mr. Deepak Kumar Agarwal (DIN: 00646153) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item no. 3. Appointment of Mr. Ashok Kumar Sharma (DIN: 09273096) as Non-Executive Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and the Article of Association, Shri Ashok Kumar Sharma (DIN: 09273096) who was appointed as an Additional Director and also as an Independent Director of the Company by the Board of Directors with effect from 13th August, 2021 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2020-21 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 3 (Three) consecutive years with effect from 13th August, 2021 till 12th August, 2024 and shall not be liable to be retire by rotation.”

“RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No 4. 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

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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 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 of raw material and finished product for trading purpose, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 1500/-Crore (One Thousand Five Hundred crore only) and for sale of finished product for trading purpose, up to a maximum aggregate value of Rs. 100/-Crore (One Hundred crore only) for the financial year 2021-22, respectively 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 5. 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. 100.00 Crore (Rupees One Hundred Crore 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 6. Ratification of remuneration of M/s. B.G. Chowdhury & Co, Cost Accountants in Practice (Firm Registration No.: 000064), Cost Auditor of the Company, for the Financial Year 2021-22.

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-

SPS Steels Rolling Mills Limited

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. B.G. Chowdhury & Co, Cost Accountants in Practice (Firm Registration No.: 000064), 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 2021-22.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and they are hereby severally authorized to do all acts and take all steps as may be necessary, proper or 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: 01-09-2021

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, the Company effected electronic delivery this Notice of the AGM and the Annual Report 2020-21 to those shareholders whose email- ids were registered with the respective Depository

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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 39th AGM and the Annual Report 2020-21 has been uploaded on the website of the Company at 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, 24th September, 2021 to 30th September, 2021 (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.
 - 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.

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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.
17. Members may also note that the Notice of the 39th AGM and the Annual Report for the Financial Year 2020-21 will also be available on the Company's website 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 39th 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).
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 39th 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.

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- 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 Monday, 27 September, 2021 (10:00 a.m., IST) and ends on Wednesday, 29 September, 2021 (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., Thursday, 23 September, 2021, 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 as under:

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

The remote e-voting period begins on Monday, 27 September, 2021 at 10:00 A.M. (IST) and ends on Wednesday, 29 September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 23 September, 2021, 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 Thursday, 23 September, 2021.

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
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<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.

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	<ol style="list-style-type: none">After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistrationAlternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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?

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

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting Period 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 with a copy marked to evoting@nsdl.co.in. and 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 to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 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

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.
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. 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 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 39th 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 Thursday, 23 September, 2021.
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., Thursday, 23 September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or compliance@shakambhargroup.in.

SPS Steels Rolling Mills Limited

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, 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

Ashutosh Sharma
Company Secretary
(M.no: F9025)

Date: 01-09-2021
Place: Kolkata

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. 3 to 6 of the accompanying Notice dated 01-09-2021:

ITEM NO. 3

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has, at its meeting held on 13th August, 2021, appointed **Mr. Ashok Kumar Sharma (DIN: 09273096)**, as an Additional Director (Non-Executive and Independent) of the Company, with effect from 13th August, 2021,

Mr. Sharma holds office only up to the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Sharma's appointment as a Director. The Company has received from Mr. Ashok Kumar Sharma, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the said Rules, to the effect that he is not disqualified in accordance with Section 164(2) of the Act; (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Act as amended, and Regulation 16(1)(b) of the Listing Regulations.

Mr. Ashok Kumar Sharma, is a distinguished alumnus M.Sc. (Agriculture- Agronomy) and has vast knowledge in the steel and Iron industry.

SPS Steels Rolling Mills Limited

In terms of Section 149 and other applicable provisions of the Act, Mr. Sharma is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The matter regarding appointment of Mr. Sharma as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as Independent Director for a term of 3 (Three) consecutive years with effect from 13th August, 2021 till 12th August, 2024 and shall not be liable to be retire by rotation.

In the opinion of the Board, Mr. Sharma fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Sharma as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Sharma shall be open for inspection at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of the Members of the Company, to be passed as a Special Resolution.

Save and except Mr. Ashok Kumar Sharma, being the appointee, 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. 3 of the Notice.

ITEM NO. 4

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 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 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 proposed Purchase with Shakambhari ISPAT & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd, Shivratri Vyapaar Pvt Ltd 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. 1500/-Crore and sale is expected to be around Rs.100/-Crore during the financial year 2021-22, respectively.

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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 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 Pvt Ltd, Eloquent Steel Pvt Ltd Shivratri Vyapaar Pvt Ltd are as follows:

Sl NO	Particulars	Remarks
1	Name of the Related Party	Shakambhari ISPAT & Power Ltd, Bravo Sponge Iron Pvt Ltd, Eloquent Steel Pvt Ltd, Shivratri Vyapaar Pvt Ltd
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 shall be on a continuous basis. i) Monetary value of proposed aggregate transactions during financial year 2021-22 is expected to be Rs 1500.00 Crore. ii) Monetary value of proposed aggregate transactions during financial year 2021-22 is expected to be Rs 100.00 Crore.
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

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Save and except Mr. Deepak Kumar 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. 4 of the Notice.

The Board of Directors recommends passing of the resolution as set out at item no. 4 of this Notice as a Special Resolution.

ITEM NO.5

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. 10,00,000,000 (Rupees One Hundred Crores) 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. 5 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. 5 of the Notice.

ITEM NO 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. **B.G. Chowdhury & Co**, Cost Accountants in Practice (Firm Registration No.: 000064), as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31 March, 2022, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only), plus applicable taxes payable and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be recommended by the Audit Committee and considered and approved by the Board of Directors and ratified subsequently by the Shareholders. Accordingly, the consent of the Members is hereby sought for passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31 March, 2022.

The Board recommends the Resolution as set out at Item No. 6 for approval of the Members of the Company.

SPS Steels Rolling Mills Limited

None of the Directors, 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.

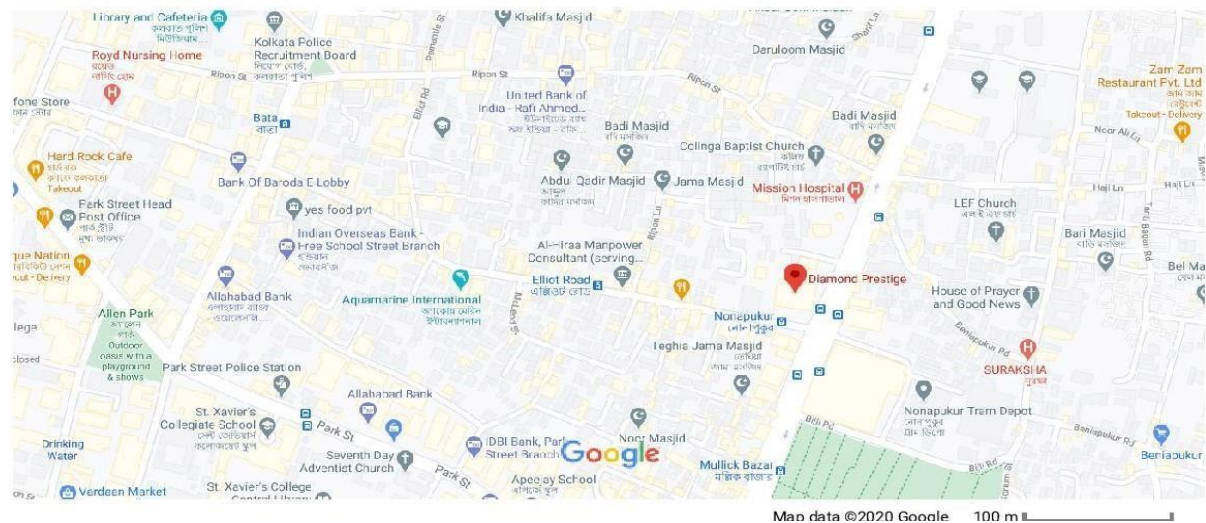
Annexure to the Notice

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

PARTICULARS	Shri Deepak Kumar Agarwal	Shri Ashok Kumar Sharma
Date of Birth/Age	31/03/1970	09/04/1959
Qualifications	Commerce Graduate	M.Sc. (Agriculture- Agronomy)
Experience (including expertise in specific functional area) / Brief Resume	Shri Deepak Kumar Agarwal, aged about 51 years, son of Shri Ramabatar Agarwal is a commerce graduate. He has about 25 years of experience in various industries including coal trading, manufacturing of various Iron and Steel products like Sponge Iron, Billets, Gases, TMT etc and trading of iron and steel products and trading of petroleum products.	Shri Ashok Kumar Sharma aged about 62 years, son of Shri Ganga Sahai Sharma has done masters in Science (Agriculture- Agronomy). He has gained more than 36 years of experience in the fields of credit and recovery portfolio, audit and inspection, risk management, board and financial inclusion departments.
Date of First Appointment on the Board	22/07/2019	13/08/2021
Equity Shareholding	Nil	Nil
Membership/ Chairmanship in other Boards	Member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.	NA

ROUTE MAP TO THE VENUE OF THE 39TH 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'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 39th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2021.

Financial Results

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

Particulars	Year Ended 31st March 2021 (Rupees in Lakhs)	Year Ended 31st March 2020 (Rupees in Lakhs)
<i>Revenue from Operations (Net)</i>	89,716.94	68,537.37
<i>Other Income</i>	280.01	77.71
<i>Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense</i>	8,032.15	4,726.83
<i>Less: Depreciation/ Amortisation/ Impairment</i>	1,875.46	1,708.99
<i>Profit /loss before Finance Costs, Exceptional items and Tax Expense</i>	6,156.69	3,017.84
<i>Less: Finance Costs</i>	2,402.84	2,099.74
<i>Profit /loss before Exceptional items and Tax Expense</i>	3,753.85	918.37
<i>Add/(less): Exceptional items</i>	-	1,663.08
<i>Profit /loss before Tax Expense</i>	3,753.85	1,755.145
<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>	3,753.85	1,755.145
Earnings per share (Basic)	7.56	35.10
Earnings per Share (Diluted)	7.56	35.10

OPERATIONS AND STATE OF AFFAIRS

During the year, the total turnover from operations was ₹89,716.94 lakhs in comparison to ₹68,537.37 lakhs during the previous year and the profit/loss of the Company before tax expenses for the year was ₹3,753.85 lakhs in comparison to ₹1,755.145 lakhs during the previous year. Your Directors are making best efforts to increase its operations.

IMPACT OF COVID-19

The outbreak of COVID-19 pandemic since 2020 has led to an unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments.

Though the Company resumed its production from May 2020 on staggered basis, they were subject to certain guidelines and restriction. Iron & steel demand was affected as key consuming sectors struggled to operate amidst weakening economic activities, working capital constraints, shortage of manpower, and logistical issues.

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. The health and safety of our employees and the communities in which we operate continues to be the foremost priority of the Company. The Company is focused on running operations safely and efficiently to service our customers. The operations have

been 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.

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 Report have been prepared in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contain expectations and a projection about the strategy for growth is enclosed as a part of this report. Certain statements in the Management Discussion and Analysis Report are forward looking statements which involve a number of risks and uncertainties that could differ from actual results performance or achievements which such forward looking statements on the basis of any subsequent developments, information or events for which the Company do not bear any responsibility the Management Discussion and Analysis Report is enclosed as a part of 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 2021-22 where the Company's Shares are listed.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-2021 (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. Sanjay Kumar Chowdhary was appointed as a Whole-time director with effect from 18th May, 2020. He was earlier holding the position of non-executive director in the Company. His appointment was further ratified in the Annual General Meeting ("AGM") of the Company held on 30th September, 2020.

During the year under review, Mr. Ajit Kumar Nath was appointed as an Independent Director with effect from 27th December, 2019 for a term of 5 consecutive years at the AGM of the Company held on 30th September, 2020. He was earlier holding the position of Additional Director (Non-Executive and Independent) in the Company.

Mr. Deepak Kumar 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.

The Board of Directors recommends the reappointment of the above-mentioned director, and appropriate resolution seeking reappointment and their profile are given in the Notice conveying the Annual General Meeting.

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, 2021, 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

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules there to and Regulation 19 of SEBI (LODR) Regulation 2015 stating therein the Company's policy on Directors/ Key Managerial Personnel/ other employee's appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred to on company's website at www.spsgroup.co.in. 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 / KMPs of the quality required to run the company successfully. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The same being a part of this report is covered under Corporate Governance Report.

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.

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, be and are hereby 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 35th annual general meeting till the conclusion of the 39th Annual General Meeting to be held for the Financial Year 2021-22 (Requirement of Ratification at AGM has since been dispensed with)

M/s. Uttam Agarwal & Associates, Chartered Accountants has audited the book of accounts of the Company for the financial year ended March 31, 2021 and has issued a qualified auditors' 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.

In accordance with the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Board has re-appointed M/s. B.G. Chowdhury & Co., (Registration No. 000064), Cost Accountants as Cost Auditors of the Company for conducting cost audit for the financial year 2021-22. Accordingly, a resolution seeking approval of the members for ratifying the remuneration payable to Cost Auditors for financial year 2021-22 is provided in the Notice to the ensuing Annual General Meeting.

The Cost accounts and records as required to be maintained under Section 148(1) of the Act are duly made and maintained by the Company.

SECRETARIAL AUDIT REPORT

As required under section 204 (1) of the Companies Act, 2013 the Company has appointed Mr. Pankaj Kumar Modi, Practicing Company Secretary (Certificate of Practice no 12472) as the Secretarial Auditor for the financial year ended 31st March 2021, 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. Jain Khemka and Associates, (F.R. No. 325300E), Chartered Accountants, were appointed as the Internal Auditor of the Company for the Financial Year 2020-21. The Audit Committee in consultation with the Internal Auditor formulates 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 2021.

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

"Shakambhari Group" had acquired this company on 08.04.2019 under the order of Hon'ble NCLT Kolkata, this company has been a sick company earlier and from 22.12.2017 to 08.04.2019, the company was under CIRP proceedings and the revival of the company became possible after the acquisition of the company.

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.

The Company has incurred loss in preceding financial years 2017-18 and 2018-19. In financial year 2019-20 the company made a profit. However, the calculation of average net profit of immediately preceding three financial years is Rs. (210.14). Although there was no requirement of making CSR contribution in this financial year under the law, the company wants to contribute towards a good corporate governance therefore the company has done CSR spending of Rs. 5.85 lakhs towards activities related to CSR. Details of CSR spending 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.

CREDIT RATINGS

The credit rating assigned to the company by CRISIL during 2020-21 is BBB/Stable for long term facilities and A3+ for short term facilities. During the previous year, credit rating assigned by Acuite Rating and Research Limited was BBB- for long term facilities.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the company had not entered

into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company or materiality of related party transaction. The policy on materiality of related party transaction and dealing with related party transaction as approved by the board may access on company's website at the link www.spsgroup.co.in. Your directors draw attention of members to note 35 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 are given in the notes to the Financial Statements.

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. 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 7**.

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 2020-21.

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, 2021.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the revised Code of Conduct for Internal Procedures to Regulate, Monitor and Report

Trading by Insiders.

NAME CHANGE OF THE COMPANY

The Shareholders of the Company in the EGM held on 22-03-2021 approved the change of name of the Company from "SPS Steels Rolling Mills Limited" to "Elegant Iron & Steel Limited" Further the Board of Directors in its meeting held on 29.07.2021, discovered once again the positive impact of a name change on the company's business.

The Board is of the view that the goodwill which is in the present name has evolved over a long period and created a strong image of the Company and its products in the market in which the Company operates. This strong presence in the market, due to the name change, it will be at risk especially during these unprecedented times of the pandemic, moreover the new name of the company will take its time to build an image on the customer and the industry alike. Hence the board has decided not to change the name of the company for its own benefit and future growth.

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: 28th June, 2021
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 2020-21. 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

Global GDP contracted by 3.5% in 2020 as governments in both developed and emerging economies took measures to contain the spread of the COVID-19 virus. While the decline was sharper than the global financial crisis in 2009, but the scale of the fiscal response to the COVID-19 crisis was unprecedented and three times bigger than 2008-09 financial crisis. The response by policy makers prevented a collapse that would have been at least three times worse, and the medium-term losses for the global economy are expected to be smaller than the global financial crisis.

India witnessed a gradual resumption of economic activity from Quarter 2 of FY 2021. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption. However, the growth projections for FY 2021-22 have been revised to be below 11% due to the acute resurgence of the virus in the country, as many cities and states went into lockdown. While the growth will depend upon the trajectory of the pandemic, the overall impact on the economy is expected to be less severe than last year, provided no further economic disruption occurs and success of the ongoing vaccination drive.

OUTLOOK FOR STEEL & IRON INDUSTRY

Steel demand is expected to be strong due to recovery in manufacturing businesses around the world and global fiscal stimulus supporting infrastructure projects. The outlook for 2021 is expected to be positive because of the unprecedented fiscal stimulus provided by the governments across Europe, the US, Japan, Korea, Russia and China. These stimulus packages are expected to spur growth in these nation's respective infrastructure sectors, boosting steel demand. China is expected to grow by 5% in 2021 with continuation of healthy demand conditions especially in the first half of 2021. Steel demand in key emerging economies (like India, Turkey) and Europe is expected to witness double digit recovery.

India's steel industry has also suffered the production loss due to lockdown last year and recovered gradually since then, initially driven by export followed by gradual recovery in domestic demand. Strong rebound in manufacturing and infrastructure development activity has led to a sharp rise in both production and consumption of steel in India. In 2021, India's steel demand is expected to grow by 20% over 2020, taking the demand higher than the pre-pandemic level of, driven by strong infrastructure spending and sustained demand of automotive and consumer durables.

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". 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.

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, 2021.

The Board of Directors of the Company consisted of 5(Five) members as on 31st March, 2021, which comprised of:

Two 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 31st March, 2021

The composition of the Board as on 31st March, 2021 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 31st March, 2021 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 ofDirectorship)
		Chairperson	Member	
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				

Mr. Deepak Kumar Agarwal (DIN: 00646153) Managing Director Executive Directors-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 Directors Promoter	1	0	0	0
Mrs. Priyanka Goenka (DIN: 08489182) Non-Executive Independent Directors	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 Directors	0	0	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, 2021 and at the last Annual General Meeting

During the Financial Year ended 31 March, 2021, 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') and Extra Ordinary General Meeting (EGM) 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, 2020	Attendance at the EGM held on 22, March, 2021
Mr. Deepak Kumar Agarwal	9	9	Yes	Yes
Mr. Ramabatar Agarwal	9	9	Yes	Yes
Mr. Sanjay Kumar Chowdhary	9	9	Yes	Yes
Mrs. Priyanka Goenka	9	9	Yes	Yes
Mr. Ajit Kumar Nath	9	9	Yes	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 2020-21, 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
18.05.2020	5	5
31.07.2020	5	5
01.09.2020	5	5
15.09.2020	5	5
13.11.2020	5	5
05.01.2021	5	5
10.02.2021	5	5
24.02.2021	5	5
31.03.2021	5	5

Details of shares/convertible instruments held by the Directors of the Company as on 31 March, 2021 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

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

Behavioral competencies

Team player / collaborative
Integrity, seriousness and ethics
Mentoring abilities

Public relations
Profile / reputation

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:

- 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
- 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, 2021:

Mrs. Priyanka Goenka - Independent Director- Chairperson

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 2020-21, 7 (Seven) Audit Committee Meetings were held on 18.05.2020, 31.07.2020, 01.09.2020, 15.09.2020, 13.11.2020, 10.02.2021 and 31.03.2021.

Attendance at the said meetings is given below:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mrs. Priyanka Goenka	7	7
Mr. Ajit Kumar Nath	7	7
Mr. Deepak Kumar Agarwal	7	7

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, 2021:

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

During the Financial Year 2020-21, 6 (Six) NRC meetings were held on 18.05.2020, 31.07.2020, 01.09.2020, 13.11.2020, 10.02.2021 and 24.02.2021. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mrs. Priyanka Goenka	6	6
Mr. Ajit Kumar Nath	6	6
Mr. Deepak Kumar Agarwal	6	6

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, 2021:

Mrs. Priyanka Goenka - Independent Director- Chairperson
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 2020-21, 2 (Two) Stakeholders' Relationship Committee meetings were held on 31.07.2020 & 31.03.2021. Attendances at the said meetings are given below:

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

Note:

- Mrs. Priyanka Goenka, Independent, Non-Executive Director is the Chairperson of the Committee. Priyanka Goenka was present at the 38th Annual General Meeting of the Company held on 30 September, 2020 to answer shareholder queries.

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 05th January, 2021. The Meeting was attended by Mrs. Priyanka Goenka and Mr. Ajit Kumar Nath.

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 31st March, 2021, the CSR Committee of the Company was headed by Mrs. Priyanka Goenka, Non-Executive Director, as the Chairperson, with Mr. Deepak Kumar Agarwal, Managing Director as Member and Mr. Ajit Kumar Nath, Non-Executive Director as Member of the Committee.

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 2020-21 forms a part of the Report of the Directors.

During the Financial Year 2020-21, 3 (Three) CSR Committee meetings were held on 31.07.2020, 24.02.2021 and 31.03.2021. Attendance at the said meetings is given below:

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

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 2020-21

- 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)	18,000	-	18,000
Ajit Kumar Nath (Non-executive Independent Director)	56,000	-	56,000
Priyanka Goenka (Non-executive Independent Director)	3,12,000	-	3,12,000

Notes:

- 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	7,45,161	0	0	7,45,161	Tenure of 3 years w.e.f. 18 th May, 2020
Total	31,45,161	0	0	31,45,161	

Notes:

Mr. Sanjay Kumar Chowdhary was appointed as Whole Time Director for a tenure of 3 years with effect from 18th May, 2021.

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
2017-2018	Elegant Tower 224A, AJC Bose Road, Kolkata-700017	15 th March, 2019	11.30 A.M.	No
2018-2019	Diamond Perstige, 41 AJC Bose Road, Kolkata-700017	30 th September 2019	11.30 A.M.	Two
2019-2020	Diamond Perstige, 41 AJC Bose Road, Kolkata-700017	30 th September, 2020	03.00 P.M	Six

Notes:

- Extraordinary General Meetings:** Extra Ordinary General Meeting (EGM) of SPS Steels Rolling Mills Limited held on Monday, the 22nd day of March, 2021 at 12.00 P.M at the Registered office/ Corporate Office of the Company at Diamond Prestige, 41 A, A.J.C Bose Road, 7th Floor, Room No. 701.

2. 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, 2020 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.

12. General Shareholder Information

a) Date, time and venue of the Annual General Meeting	30 th day of September, 2021 at 10:30 A.M.
b) Financial Year	01, April, 2020 to 31 March, 2021
c) Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata-700001 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 nichetechpl@nichetechpl.com

Distribution of shareholding as on 31 March, 2021:

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
5,001 to 10,000	1	6.67	6833	0.01
10,001 and Above	14	93.33	499,931,67	99.99
Total	15	100.00	500,000,00	100.00

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

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, 2021, 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, 2021.
i) Plant locations:	Dr. Zakir Hussain Avenue, GT Road, Durgapur, West Bengal-713206
j) Address for Correspondence:	Mr. Ashutosh Sharma Company Secretary SPS Steels Rolling Mills Limited Diamond Prestige, 41A, A.J.C. Bose Road, Kolkata 700 017 Phone: (033) 66255252 E-mail ID: compliance@shakambharigroup.in

15. DISCLOSURES

- a. 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.

- b. Imposition of restriction on Mr. Deepak Kumar Agarwal from accessing the securities market i.e. prohibited 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. However, appeal has been filed by Mr. Deepak Kumar Agarwal at SAT against the said order, the final hearing of which is still pending.
- c. 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.
- d. 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.
- e. The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- f. The Company has framed Related Party Transaction Policy and is placed on the Company's website and may be referred to, at the Company's official website at www.spsgroup.co.in.
- g. During the financial year ended 31st March, 2021 the Company did not engage in commodity hedging activities.
- h. During the financial year 2020-21 the Company have not raised or utilized any funds through preferential allotment or qualified institutions placement.
- i. 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.
- j. The board of directors has accepted the recommendations of its committees made during the financial year 2020-21.

16. 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

18. 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
41A, A.J.C Bose Road,
7th Floor, 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 31st March, 2021 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 31st March, 2021 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: 28th June, 2021

Deepak Kumar Agarwal
Managing Director

Binod Kumar Agrawal
Chief Financial Officer

Annexure 2

**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 31st March, 2021 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: 28.06.2021

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, 2021.**

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, 2021 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 31st March, 2021.

On the basis of records maintained by the Company, I state that, as on 31st March, 2021, there were no investor grievances remaining pending for a period exceeding one month against the Company.

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

Mayank Daga
Company Secretary in Practice
Membership No. ACS 41279
CP. No. 16509
UDIN: A041279C000529910

Place: Kolkata

Date: 28.06.2021

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 Mill Limited
Diamond Prestige
41 A, A.J.C Bose Road,
7th Floor, 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, Kolkata - 700017 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021, 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	-

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.

Mayank Daga
Company Secretary in Practice
Membership No. ACS 41279
CP. No. 16509
UDIN: A041279C000530031

Place: Kolkata
Date: 28th June, 2021

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
SPS STEELS ROLLING MILLS LIMITED

1. 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'). 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.
2. Based on my verification of the company's 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 March 31st, 2021 complied with the statutory provisions here under 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 and made available to us, for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the audit period)
 - (v) The Company belongs to the steel Industry. To the best of our knowledge and believe and as confirmed by the Management of the Company the following Law is specifically applicable the Company:
 - (a) Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1978, Industrial Disputes Act of 1947 and Minimum Wages Act, 1948 etc.
3. 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; (Not Applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the audit period)

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

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1st July, 2015.
- (ii) The Company being a listed company, the provisions of the Listing Agreement/Revised Listing Agreement with Calcutta Stock Exchange.

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:

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

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, be captured and recorded as part of the minutes.

- B. 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, and regulations and guidelines.

- C. That during the audit period the following event took place:

- i) Mr. Ajit Kumar Nath (DIN 08641824) was appointed as Independent Director of the Company at the Annual General Meeting of the shareholders held on 30-09-2020 for a period of 5 years.
- ii) Mr. Sanjay Kumar Chowdhary (DIN-08402623) was appointed as Whole Time Director of the Company at the Annual General Meeting of the shareholders held on 30-09-2020 for a period of 3 years.
- iii) Alteration the existing Main Objects of Clause 3 (a) and other object specifies in Clause 3(b) of the company at the Annual General Meeting of the shareholders held on 30-09-2020.
- iv) Substitution of Regulations 34 of the Article of Association of the Company.
- v) The Shareholder of the Company in the EGM held on 22-03-2021 approved the change of name of the Company from "SPS Steels Rolling Mills Limited" to "Elegant Iron & Steel Limited" Further the Board of Directors in its meeting held on 29.07.2021, discovered once again the positive impact of a name change on the company's business.

The Board is of the view that the goodwill which is in the present name has evolved over a long period and created a strong image of the Company and its products in the market in which the Company operates. This strong presence in the market, due to the name change, it will be at risk especially during these unprecedented times of the pandemic, moreover the new name of the

company will take its time to build an image on the customer and the industry alike. Hence the board has decided not to change the name of the company for its own benefit and future growth.

Hence the Board has decided not to change the name of the company for its benefit and future growth.

- vi) Details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	Securities and Exchange Board of India : Against:- Mr. Deepak Kumar Agarwal DIN:00646153 (Managing Director)	Violated of regulations 3(a), (b), (c), (d) and regulations 4(1), 4(2) (a) and (e) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003	Securities And Exchange Board of India vide its Order dated 03-09-2020, No-WTM/MB/IVD/ID4/8865/2020-2, Under Sections 11(1), 11(4) and 11B (1) of the Securities and Exchange Board of India Act, 1992 has restrained Mr Deepak Kumar Agarwal PAN (ABSPA2276K) from accessing the securities market i.e prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for the same period, from the date of this order for a period 5 years.	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 and the final hearing is still pending

Pankaj Kumar Modi
(Company Secretary)
M.No.: 28600
C P No.: 12472

Place: Kolkata
Date: 28th June, 2021
UDIN: A028600C000526702

This Report is to be read with our testimony of even date which is annexed as “Annexure A” and forms an integral part of this report.

**To
The Members,
SPS STEELS ROLLING MILLS LIMITED**

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

- i.** Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii.** We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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;
- iii.** We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
- iv.** Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
- v.** 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 procedure on test basis;
- vi.** 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.

**Pankaj Kumar Modi
(Company Secretary)
M. No.: 28600
C P No.: 12472**

Place: Kolkata
Date: 28th June, 2021
UDIN: A028600C000526702

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:****Foreign Exchange earnings and outgo**

	2019-20	2020-21
Earning	Nil	Nil
Outgo	Nil	Nil

Annual Report on CSR Activities to be Included in the Board's Report for Financial Year ended 31st March, 2021

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.	Mrs. Priyanka Goenka	Chairman of CSR Committee	3	3
2.	Mr. Deepak Kumar Agarwal	Member of CSR Committee	3	3
3.	Mr. Ajit Kumar Nath	Member of CSR Committee	3	3

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

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: 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	2019-20	NA	NA
2	2018-19	NA	NA
3	2017-18	NA	NA
	Total	NA	NA

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

	2019-20	2018-19	2017-18
Profit/(loss) before exceptional items and tax	918.37	(519.66)	(1,029.13)

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. (4,20,000)/-

(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: NA

(d) Total CSR obligation for the financial year (7a+7b-7c): NIL

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.
5,84,910.81	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
				State District						Name of Implementing Agency CSR Registration number.
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(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 of implementing agency. CSR registration number.
1.	Building of girl's toilet and painting of school bathroom	Clause (i) Eradicating hunger, poverty and malnutrition ["promoting health care including preventive health care"] and sanitation.	Yes	West Bengal, Kolkata	71,681.33	Direct	NA

2.	Civil work at school	Clause (ii) Promoting education	Yes	West Bengal, Kolkata	9,404.48	Direct	NA	NA
3.	Contribution to Friends of Tribal Society	Clause (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans.	Yes	West Bengal, Kolkata	5,00,000	Direct	NA	NA
4.	Plantation of trees	Clause (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Yes	West Bengal, Durgapur	3,825	Direct	NA	NA
	Total				5,84,910.81			

(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)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	(4,20,000)
(ii)	Total amount spent for the Financial Year	5,84,910.81
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5,84,910.81
(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)]	5,84,910.81

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.	2017-18	NA	NA	NA	NA	NA	NA
2.	2018-19	NA	NA	NA	NA	NA	NA
3.	2019-20	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 relationship	Nature of contracts/arrangements/transactions	Duration of the contract s/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 Rs.)	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	3,06,13,80,498	18-05-2020	N.A
Shakambhari Ispat & Power Limited	Sale of Goods		32,02,01,828		
Bravo Sponge Iron Private Limited	Purchase of Goods		1,36,20,95,520		
Bravo Sponge Iron Private Limited	Sale of Goods		12,92,50,165		

Eloquent Steel Private Limited	Purchase of Goods		57,44,76,804	18-05-2020	
Eloquent Steel Private Limited	Sale of Goods		11,54,46,223	18-05-2020	
Shivratri Vyapaar Private Limited	Sale of Goods		2,31,27,531	18-05-2020	
Mr. Deepak Kumar Agarwal	Director Remunerati on		24,00,000	N.A	
Mr. Sanjay Kumar Chowdhary	Director Remunerati on		7,45,161	N.A	
Eloquent Steel Iron Private Limited	Rent		13,20,000	05.01.2021	
Shakambhari Ispat and Power Limited-(Covid Loan-PNB)	Unsecured Loan received		5,83,00,000		
Shakambhari Ispat and Power Limited- (Loan-Long and short term)	Unsecured Loan paid		50,40,04,958		
Bahar Tie- Up Private Limited	Unsecured Loan received		3,25,00,000		
Human Touch Tracom Private Limited	Unsecured Loan received		50,45,00,000		
Matrivani Impex Private Limited	Unsecured Loan received		1,53,00,000		

Annexure 7

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	1,05,036	22.85
2	Sanjay Kumar Chowdhary (Whole-time director)*	7,45,161	1,05,036	7.09

*From 18th May, 2020

- ii) Percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive officer, if any, in the financial year 2020-21.

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

- iii) Percentage Increase in the median remuneration of employees in the financial year 2020-21

Year	(Amount in INR) Median remuneration
2019-2020	96,054
2020-2021	1,05,036

Percentage increase in median remuneration of employees in the financial year 2020-21 – **9.35%**

- iv) Number of Permanent employees on the rolls of the Company as on 31st March 2021 is 571.
- 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	2400000	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	Priyanka Goenka Chairman CSR 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 31st March 2021, 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, 2021, 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

We would like to draw attention to Note 4 Property, Plant and Equipment and Note 13 Other Equity, during the previous year fixed assets have been revalued as per the report of the registered valuer. Accordingly depreciation has been charged on the enhanced value. As a result, profits of the company for the year is lower to the extent of INR 1528.49 Lakhs(Previous year 1459.29 lakhs).

As described in Note 31 Exceptional Items, during the year the company has recognised the cost of Corporate Insolvency and Resolution Process ("CIRP") and effects of implementation of resolution plan under exceptional items. As a result, profits of the company for the previous year is higher to the extent of INR 16767.67 lakhs.

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, 2021.
- 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, 2016 ("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.

UTTAM AGARWAL & ASSOCIATES
Chartered accountants

- e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of directors, none of the directors is disqualified as on 31st March, 2021 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 29 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.

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

CA Gaurav Agarwal
Partner
Membership No. 307455

Place: Kolkata.
Date: June 28, 2021.
UDIN:21307455AAAADZ4109

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 2021, we report that:

- i. (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 fixed 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 title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the Inventories have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification as compared with the book records.
- iii. On the basis of examination of records and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other Parties covered in the register maintained under section 189 of the Act.
- iv. The Company has during the year not given any Loans, Guarantees and Security to any party. Accordingly, Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Thus, paragraph 3(v) of the Order is not applicable to the Company
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material Statutory Dues have generally been regularly deposited during the year by the Company with the appropriate authorities;

According to the information and explanations given to us, there are no undisputed amounts payable as at 31st March 2021 for a period of more than six months from the date they became payable.

According to the information and explanations given to us there are no material dues of cess and other material statutory dues which have not been deposited by the Company with the appropriate authorities on account of any disputes.

UTTAM AGARWAL & ASSOCIATES
Chartered accountants

- viii. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders..
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the provisions of the Section 197 read with Schedule V of the Act.
- xii. According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the company and hence not commented upon.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and on the basis of review on an overall basis, the Company is not engaged in financing activity and hence is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA Gaurav Agarwal
Partner
Membership No. 307455

Place: Kolkata.
Date: June 28, 2021.
UDIN: 21307455AAAADZ4109

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 2021, 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: June 28, 2021
UDIN: 21307455AAAADZ4109

SPS STEELS ROLLING MILLS LIMITED
Balance Sheet as at 31st March 2021

Amount in Rs. Lakhs

	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	17,371.78	19,199.30
(b) Capital work-in-progress	4B	2,747.97	94.84
(c) Intangible Asset	4A	2.09	2.71
(d) Financial assets			
(i) Investments	5(a)	0.03	0.03
(ii) Bank balances other than cash & cash equivalents	5(b)	857.79	728.47
(iii) Other financial assets	5(c)	1,105.07	885.95
(e) Other non-current assets	6(a)	861.55	-
Total Non-current assets		22,946.27	20,911.29
(2) Current assets			
(a) Inventories	7	6,934.65	4,838.73
(b) Financial assets			
(i) Trade receivables	8	18,910.68	13,475.01
(ii) Cash and cash equivalents	9	36.05	68.27
(iii) Other Financial Assets	5(c)	353.14	110.21
(c) Current tax assets (net)	10	202.06	125.50
(d) Other current assets	6(b)	5,376.13	7,104.50
Total Current assets		31,812.71	25,722.21
TOTAL ASSETS		54,758.98	46,633.50
Equity			
(a) Equity share capital	11	5,000.00	5,000.00
(b) Other equity	12	12,184.87	8,390.76
Total Equity		17,184.87	13,390.76
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	19,486.07	20,847.13
(b) Provisions	15	207.69	208.74
Total Non-current liabilities		19,693.76	21,055.86
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(b)	5,619.39	5,249.38
(ii) Trade payables	16	7,945.29	5,210.79
(iii) Other financial liabilities	14	2,668.00	800.00
(b) Other current liabilities	17	1,633.80	905.98
(c) Provisions	15	13.85	20.73
Total Current liabilities		17,880.34	12,186.87
TOTAL EQUITY AND LIABILITIES		54,758.98	46,633.50

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: 28/06/2021
UDIN: 21307455AAAADZ4109

Binod Kumar Agrawal
Chief Financial Officer

Ashutosh Sharma
Company Secretary

SPS STEELS ROLLING MILLS LIMITED
Statement of Profit & Loss Account for the Year Ended 2021

Amount in Rs. Lakhs

	Note	Year ended 31st March 2021	Year ended 31st March 2020
I Revenue from operations	18	105,863.98	81,295.70
less : Duties & taxes on above		-16,147.05	-12,758.33
Net Revenue from operations		89,716.94	68,537.37
II Other income	19	280.01	77.71
III Total income (I + II)		89,996.94	68,615.08
IV Expenses			
Cost of materials consumed	20	52,413.32	43,894.95
Purchase of stock-in-trade	21	11,957.47	2,069.34
Changes in inventories of finished goods and stock-in-trade	22	-1,893.75	-256.41
Employee benefits expense	23	1,635.62	1,396.11
Finance costs	24	2,402.84	2,099.47
Depreciation and amortisation expense	4A	1,875.46	1,708.99
Other expenses	25	17,852.14	16,784.28
Total expenses (IV)		86,243.10	67,696.72
V Profit/ (loss) before exceptional items and tax (III-IV)		3,753.84	918.37
Exceptional items	32	-	134.59
Resolution Professional Expenses		-	-16,767.67
Effects of implementation of resolution plan		-	-
VI Profit/ (loss) before tax		3,753.84	17,551.45
VII Tax expense:	26	-	-
Current tax		-	-
Deferred tax		-	-
VIII Profit / (loss) for the year (V-VI)		3,753.84	17,551.45
Other comprehensive income (net of tax)			
A. Items that will not be reclassified to profit or loss			
(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		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		28.02	-
B. Items that will be reclassified to profit or loss		-	-
Net other comprehensive income to be reclassified		-	-
IX Other comprehensive income		28.02	-
X Total comprehensive income for the year (VII+VIII)		3,781.86	17,551.45
XI Earnings per equity share			
[Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
- Basic		7.56	35.10
- Diluted		7.56	35.10

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: 28/06/2021

UDIN: 21307455AAAADZ4109

Binod Kumar Agrawal

Chief Financial Officer

Ashutosh Sharma

Company Secretary

SPS STEELS ROLLING MILLS LIMITED
Cash flow statement for the year ended 31st March 2021

Amount in Rs. Lakhs

	Year ended 31st March 2021	Year ended 31st March 2020
A Cash flow from operating activities		
Profit Before Tax	3,753.84	17,551.45
Adjustment for :-		
Interest income	-103.95	-67.58
Depreciation and amortisation expense	1,875.46	1,708.99
Finance costs		
Allowance for doubtful debts (expense)	2,402.84	2,099.47
Effects of implementation of resolution plan	1,965.47	-
	-	-16,767.67
	6,139.83	-13,026.79
Operating profit before working capital changes	9,893.67	4,524.66
Adjustment For :-		
Trade receivables, loans, advances and other assets	-6,984.13	2,339.46
Inventories	-2,095.92	-1,737.96
Trade payables, other liabilities and provisions	3,482.42	-8,206.67
	-5,597.63	-7,605.17
Cash generated from operations	4,296.04	-3,080.51
Income tax paid	-76.56	-50.51
Net Cash from operating activities	4,219.48	-3,131.02
B Cash flow from investing activities		
Acquisition of property, plant and equipments & Capital		
Work-in-Progress	-2,700.45	-531.24
(Increase)/decrease in fixed deposits	-129.32	-622.01
Interest received	103.95	67.58
	-2,725.82	-1,085.67
C Cash flow from financing activities		
Increase/(decrease) in borrowings	876.96	803.42
Increase/(decrease) in Equity share capital	-	5,000.00
Interest paid	-2,402.84	-2,099.47
	-1,525.88	3,703.95
Net increase in cash & cash equivalents	-32.22	-512.73
Cash & Cash equivalents at beginning of the year	68.27	581.00
Cash & Cash equivalents at closing of the year	36.05	68.27

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 brackets 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: 28/06/2021
UDIN: 21307455AAAADZ4109

Binod Kumar Agrawal
Chief Financial Officer

Ashutosh Sharma
Company Secretary

SPS STEELS ROLLING MILLS LIMITED**Notes to the financial statements for the year ended 31 March 2021 (Continued)**

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
Statement of changes in equity for the year ended 31st March 2021

Amount in Rs. Lakhs

A. Equity share capital

Particulars	Number	Amount
As at 1 April 2019	42,412,920	4,241.29
Less: reduction without payout as per order by The Hon'ble NCLT via order dated 08 April 2019.	-42,412,920	-4,241.29
Add : Issued at the time of takeover as per the terms of approved resolution plan by The Hon'ble NCLT via order dated 08 April 2019:		
to SIPL nominee companies	34,999,993	3,500.00
to the existing financial creditors by way of conversion of outstanding debt into equity	15,000,007	1,500.00
As at 31 March 2020	50,000,000	5,000
Changes in equity share capital during 2020-21	-	-
As at 31st March 2021	50,000,000	5,000.00

B. Other equity

Particulars	Reserves and surplus							
	Securities Premium Account	Amalgamation reserve	General Reserve	Business Re-organisation Reserve	Revaluation Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	Total
Balance as at 1 April 2019	11,775.17	1,108.88	250.00	-	-	-70,591.57	-14.06	-57,471.59
Total comprehensive income for the year ended 31 March 2020								
Transferred to Business Re-organisation Reserve	-11,775.17	-1,108.88	-250.00				14.06	-13,119.99
Profit or Loss	-	-	-	-	-	17,551.45	-	17,551.45
Additional Depreciation due to Revaluation	-	-	-	-	-1,459.29	1,459.29	-	-
Other comprehensive income (net of tax)	-	-	-	48,064.88	13,369.00	-	-	61,433.88
Total comprehensive income	-11,775.17	-1,108.88	-250.00	48,064.88	11,909.71	19,010.74	14.06	65,865.34
Prior period error	-	-	-	-	-	-3.00	-	-3.00
Balance as at 31 March 2020	-	-	-	48,064.88	11,909.71	-51,583.83	-	8,390.76
Total comprehensive income for the year ended 31 March 2021								
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
Total comprehensive income	-	-	-	12.25	-1,528.49	5,282.33	28.02	3,794.12
Prior period error	-	-	-	-	-	-	-	-
Balance as at 31st March 2021	-	-	-	48,077.14	10,381.22	-46,301.50	28.02	12,184.87

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: 28/06/2021
UDIN: 21307455AAAADZ4109

Binod Kumar Agrawal
Chief Financial Officer

Ashutosh Sharma
Company Secretary

SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

4A Property, plant and equipment

	Freehold Land	Leasehold Land	Building	Plant and equipment	Vehicles	Office Equipment	Computers	Total - Tangible assets	
A. Gross carrying amount (at cost or deemed cost)									
As at April 1, 2019	3.76	160.67	2,237.69	2,578.56	62.74	62.21	7.55	5,113.19	
Additions	-	142.01	973.51	2,766.30	-	-	4.59	3,886.41	
Additions on Revaluation	-	2,675.35	4,069.13	6,624.51	-	-	-	13,369.00	
Deletions / Discard	-	-	-	-	-	-	-	-	
As at March 31, 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	-	-	-	-	-	-	-	-	
As at March 31, 2021	3.76	2,978.04	7,280.33	12,009.63	62.74	67.22	14.18	22,415.91	11.44
B. Depreciation									
Upto March 31, 2019	-	16.62	340.50	1,013.23	51.53	33.16	5.87	1,460.92	
Additions	-	171.81	521.98	1,007.00	1.86	5.04	0.67	1,708.37	
Deletions / Discard	-	-	-	-	-	-	-	-	
As at March 31, 2020	-	188.43	862.48	2,020.24	53.39	38.21	6.55	3,169.29	
Additions	-	115.63	549.57	1,203.75	0.01	4.56	1.32	1,874.85	
Deletions / Discard	-	-	-	-	-	-	-	-	
As at March 31, 2021	-	304.06	1,412.05	3,223.99	53.41	42.77	7.86	5,044.14	9.35
C. Net Carrying Amount									
As at March 31, 2020	3.76	2,789.61	6,417.85		9,949.13	9.35	24.01	5.59	19,199.30
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

(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*	CWIP**
A. Gross carrying amount (at cost or deemed cost)		
As at April 1, 2019	3,450.01	-
Additions	191.84	94.84
Capitalised	3,641.85	-
As at March 31, 2020	-	94.84
Additions	-	2,653.14
Capitalised	-	-
As at March 31, 2021	-	2,747.97

*It pertains to structural mill project.

**It pertains to Steel Melting Shop (SMS).

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

	As at 31st March 2021	As at 31 March 2020
5 Financial assets		
5(a) Investment in equity instruments (at fair value through other comprehensive income)		
<u>Unquoted, other than trade</u>		
Shivalik Solid Waste Management Ltd 250 (31st March 2020 - 250, 1 April 2019 - 250)	0.03	0.03
Equity Shares of Rs. 10/- each		
Total	0.03	0.03
Aggregate carrying value of unquoted investments	0.03	0.03
	As at 31st March 2021	As at 31 March 2020
Non-current		
5(b) Bank balances other than cash & cash equivalents		
Deposits with Banks	857.79	728.47
	857.79	728.47
5(c) Other Financial Assets		
<u>Non-current</u>		
Security deposit	1,105.07	885.95
Total	1,105.07	885.95
<u>Current</u>		
- Earnest money deposit	-	6.00
Deposits with UCO bank	2,000.14	-
Less - OD from UCO Bank against FD	-1,900.00	-
	100.14	6.00
- loan to body corporate		
Related Party	153.00	-
Other	100.00	104.21
Total	353.14	110.21
6 Other assets		
	As at 31st March 2021	As at 31 March 2020
6(a) Non-Current		
Capital advances	861.55	-
Other than capital advances		
- Security deposit	-	-
Total	861.55	-
6(b) Current		
Advances other than capital advances		
- Advance for supplies	5,366.14	7,099.29
- Advance to employees	9.89	4.61
- Pre-paid expenses	0.10	0.60
Total	5,376.13	7,104.50
7 Inventories		
	As at 31st March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw materials	2,447.71	3,172.46
Finished goods	2,304.66	735.96
Stock in trade**	650.85	325.80
Stores and spares	1,531.44	604.51
Total	6,934.65	4,838.73
(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 2021 (refer note 13).		
(3) Cost of inventory recognised as an expense.		
**Note Stock in trade include stock in transit of Rs 40,347,201.		
Particulars	As at 31st March 2021	As at 31 March 2020
Cost of materials consumed	52,413.32	43,894.95
Changes in inventories of finished goods and stock-in-trade	-1,893.75	-256.41
Stores and spares	1,293.10	3,316.86
Power and fuel consumed	5,509.75	6,457.13
8 Trade receivables		
	As at 31st March 2021	As at 31 March 2020
Unsecured, considered good	18,910.68	13,475.01
Doubtful	6,458.90	6,542.31
Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)	-6,458.90	-6,542.31
Total	18,910.68	13,475.01

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

Note:

Expected credit loss (ECL):

As a practical expedient, the company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on the ageing of the trade receivables lying in books of accounts. The provision has been made basis pending reconciliations of ledger accounts and pending confirmations from certain Trade Receivables. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

Movement in the expected credit loss allowance

	As at 31st March 2021	As at 31 March 2020
Balance at the beginning of the year	6,542.31	6,542.31
Provision for doubtful debts (net)	1,965.47	-
Reversal of provision for doubtful debts, net	-	-
Bad debts adjusted against provision	-2,048.89	-
Balance at the end of the year	<u>6,458.90</u>	<u>6,542.31</u>

9 Cash and cash equivalents

	As at 31st March 2021	As at 31 March 2020
Balances with banks		
- Current accounts	15.30	29.11
Cash in hand	20.75	39.16
Total	<u>36.05</u>	<u>68.27</u>

10 Current tax assets (net)

	As at 31st March 2021	As at 31 March 2020
Income tax payments (net of provisions)	202.06	125.50
Total	<u>202.06</u>	<u>125.50</u>

11 Equity share capital

Authorised

5,00,00,000 (31st March 2020 - 5,00,00,000, 1 April 2019 - 5,00,00,000) Equity Shares of Rs. 10/- each

	As at 31st March 2021	As at 31 March 2020
	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

Issued, subscribed and fully paid-up*

5,00,00,000 (31st March 2020 - 5,00,00,000, 1 April 2019 - 4,24,12,920) Equity Shares of Rs.10/- each fully Paid up

	As at 31st March 2021	As at 31 March 2020
	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

* 5,00,00,000 equity shares allotted as fully paid up pursuant to plan approved by the Hon'ble NCLT via order dated 08 April 2019. Equity shares allotted prior to date of NCLT order stand extinguished without any payout.

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

	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	50,000,000	5,000.00	42,412,920	4,241.29
Less: reduction without payout as per order by The Hon'ble NCLT via order dated 08 April 2019.	-	-	-42,412,920	-4,241.29
Add : Issued at the time of takeover as per the terms of approved resolution plan by The Hon'ble NCLT via order dated 08 April 2019:				
to SIPL nominee companies	-	-	34,999,993	3,500.00
to the existing financial creditors by way of conversion of outstanding debt into equity	-	-	15,000,007	1,500.00
Balance as at the end of the year	<u>50,000,000</u>	<u>5,000.00</u>	<u>50,000,000</u>	<u>5,000.00</u>

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.

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares				
Name of the Shareholder	As at 31st March 2021		As at 31 March 2020	
	Number	% of total shares in the class	Number	% of total shares in the class
Shakambari Tie-Up Private Limited	9,975,000	19.95%	10,000,000	20.00%
Krishna Sudama Markeing Private Limited	3,000,000	6.00%	3,000,000	6.00%
Swapno Marketing Private Limited	8,000,000	16.00%	8,000,000	16.00%
Aryavrat Plot Managers Private Limited	9,791,406	19.58%	8,000,000	16.00%
BMS Sales Private Limited	7,291,342	14.58%	5,999,993	12.00%
Indian Overseas Bank	2,650,456	5.30%	2,650,456	5.30%
Allahabad Bank	2,679,691	5.36%	2,679,691	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 2020	Movement during the year	31st March 2021	1 April 2019	Movement during the year
Security premium amount (a)	-	-	-	11,775.17	-11,775.17
Amalgamation reserve (b)	-	-	-	1,108.88	-1,108.88
General reserve (c)	-	-	-	250.00	-250.00
Business Re-organisation Reserve (d)	48,064.88	12.25	48,077.14	-	48,064.88
Revaluation Reserve* (e)	11,909.71	-1,528.49	10,381.22	-	11,909.71
Retained earnings* (f)	-51,583.83	5,282.33	-46,301.50	-70,591.57	19,007.74
Equity instruments through other comprehensive income (g)	-	28.02	28.02	-14.06	14.06
Total	8,390.76	3,794.12	12,184.87	-57,471.59	65,862.34
* Revaluation Reserve Retained earnings					
Opening Balance	11,909.71		-51,583.83		
Additions on Revaluation	-		-		
Additional Depreciation due to Revaluation	-1,528.49		1,528.49		
Profit / (loss) for the year	-		3,753.84		
Net Movement during the year	<u>-1,528.49</u>		<u>5,282.33</u>		
Closing Balance	<u>10,381.22</u>		<u>-46,301.50</u>		

During the Previous year, 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 1528.49 lakhs (PY INR 1459.29 lakhs) has been transferred from revaluation reserve to Retained Earnings.

B. Nature and purpose of reserves

- (a) **Securities premium amount:** Securities premium account represents the premium received on issue of shares over and above the face value of equity shares, however same was tranfered to Business Re-organisation Reserve as received on equity shares allotted prior to date of NCLT order.
- (b) **Amalgamation reserve:** Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company, however same was tranfered to Business Re-organisation Reserve as created prior to date of NCLT order.
- (c) **General Reserve:** The Company has transferred a portion of the net profit of the company to general reserve pursuant to the earlier provisions of Companies Act 1956, however same was tranfered to Business Re-organisation Reserve as created prior to date of NCLT order.
- (d) **Business Re-organisation Reserve:** Business Re-organisation Reserve is the reserve which is created by tranfering 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.
- (e) **Revaluation Reserve:** Revaluation reserve is the reserve which is created when any Fixed Asset/ Non Current Asset (As Per IFRS) is revalued upwards. This reserve is not available for distribution of dividend.
- (d) **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.
- (e) **Equity instruments through other comprehensive income:** Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

13 Borrowings

	As at 31st March 2021	As at 31 March 2020
13(a) Non-current borrowings		
Secured		
Loan from bank		
- Term loans from Punjab National Bank	16,201.07	16,647.13
Less: Current maturities of non-current borrowings	-2,200.00	-800.00
-Covid-19 Emergency CF from Punjab National Bank in the books of Shakambhari Ispat & Power Ltd on behalf of SPS	583.00	-
Less: Current maturities of non-current borrowings	-468.00	-

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

Unsecured

Loans from bodies corporates		
Related Parties	5,370.00	5,000.00
Less: Current maturities of non-current borrowings	-	-
Total	19,486.07	20,847.13

Secured loan

1. Punjab National Bank:

Security:

Secured by exclusive first charge by way of hypothecation of entire fixed assets , entire current assets and other assets of the company, present at the time of takeover, 2nd charge on entire current assets both present & future of unit located at Dr Zakir Hussain Avenue, GT Road, Durgapur, West Bengal & guarantee of the directors of the company and relative of directors and corporate guarantee of group companies.

Repayment terms:

Term loan - Term loan from Punjab National Bank , 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.

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.

Unsecured loan Body Corporate: The loans are interest free and are taken without any stipulations for repayment.

For current maturities of non-current borrowings refer disclosure under the head other financial liabilities - current (refer note 14)

13(b) Current borrowings

As at
31st March 2021

As at
31 March 2020

Secured

Working capital loan from banks

- Working capital loans from Punjab National Bank

5,619.39

5,209.33

Unsecured

Loans from bodies corporate

-

40.05

5,619.39

5,249.38

Nature of security

Secured by hypothecation of all current assets present & future, including Stocks, book debts and other current assets of the company of unit located at Dr Zakir Hussain Avenue, GT Road, Durgapur, West Bengal with second charge on the 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.

14 Other financial liabilities

As at
31st March 2021

As at
31 March 2020

Current

Current maturities

- term loan from bank

2,668.00

800.00

Total

2,668.00

800.00

15 Provisions

As at
31st March 2021

As at
31 March 2020

Non-current

Provisions for employee benefits

- Provision for gratuity

182.31

186.26

- Provision for leave salary

25.38

22.48

Total

207.69

208.74

Current

Provisions for employee benefits

- Provision for gratuity

11.80

17.84

- Provision for leave salary

2.05

2.89

Total

13.85

20.73

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

		Amount in Rs. Lakhs	
		As at	As at
		31st March 2021	31 March 2020
16 Trade payables			
Dues to Micro And Small Enterprises (as per the intimation received from vendors)			
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year		-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)		-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year		-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.		-	-
Dues to others			
- For goods and services		3,937.34	905.61
- For other expenses		4,007.95	4,305.19
Total		7,945.29	5,210.79
17 Other liabilities			
Advance from customers		1,225.33	798.51
Statutory liabilities		408.47	107.47
Total		1,633.80	905.98
18 Revenue from operations			
Sale of products			
- Finished goods		92,084.43	77,545.07
- Traded goods*		12,438.29	2,436.44
(* "ELEGANT*" Manufactured from third party)			
Gross revenue from sale of products and services including GST of Rs.16147.05 lakhs (LY Rs. Rs.12758.33 lakhs)		104,522.72	79,981.52
Other operating revenues			
- Sale of raw material/ stores		1,341.27	1,314.18
Total revenue from operations		105,863.98	81,295.70
Less : Duties & Taxes		16,147.05	12,758.33
Net revenue from operations		89,716.94	68,537.37
19 Other income			
Interest income comprises interest from:			
- Deposits with banks - carried at amortised cost		103.95	67.58
Other non-operating income			
Insurance claim received		0.65	-
Licence Income		88.68	-
Dividend Income		0.02	-
Miscellaneous receipt		9.47	10.13
Sundry Balances Witten back		77.24	-
Total		280.01	77.71
20 Cost of materials consumed			
Inventory of raw materials at the beginning of the year		3,172.46	1,913.44
Less: Stock taken by MSTC on Settlement		-	-864.01
Add: Purchases		51,688.56	46,017.98
		54,861.02	47,067.41
Less: Inventory of raw materials at the end of the year		-2,447.71	-3,172.46
Cost of materials consumed		52,413.32	43,894.95

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

		Amount in Rs. Lakhs	
		As at	As at
		31st March 2021	31 March 2020
21 Purchase of traded goods			
Purchase of traded goods		11,957.47	2,069.34
Total		11,957.47	2,069.34
22 Change in inventories of finished goods and stock in trade			
		As at	As at
		31st March 2021	31 March 2020
Opening stock			
Finished goods		735.96	661.61
Traded goods		325.80	-
Work in progress		-	143.74
Closing inventories			
Finished goods		-2,304.66	-735.96
Traded goods		-650.85	-325.80
Work in progress		-	-
Total		-1,893.75	-256.41
23 Employee benefits expense			
		As at	As at
		31st March 2021	31 March 2020
Salaries and Wages		1,386.23	1,162.35
Director Remuneration		31.45	16.65
Contribution to provident and other funds		204.78	196.69
Staff welfare expenses		13.17	20.42
Total		1,635.62	1,396.11
24 Finance costs			
		As at	As at
		31st March 2021	31 March 2020
Interest expense			
- on borrowings measured at amortised cost		2,357.75	2,087.68
- others		45.09	11.79
Total		2,402.84	2,099.47
25 Other expenses			
		As at	As at
		31st March 2021	31 March 2020
Stores and consumables		1,293.10	3,316.86
Power and fuel consumed		5,509.75	6,457.13
Processing Labour Charges		1,385.20	1,457.79
Water charges		29.93	29.95
Rates and taxes		12.87	30.71
Insurance charges		19.10	6.76
Bank charges		2.84	80.34
Rent		18.59	15.77
Repairs and maintenance			
- Buildings		49.21	28.36
- Plant and machinery		104.42	35.76
- Others		35.33	86.22
Security Charges		191.54	230.21
Hire Charges		155.37	86.46
Telephone Expenses		2.03	8.61
Travelling and conveyance		108.26	1.60
Payment to auditor (Refer note 25(a))		1.85	1.85
Legal and professional charges		107.65	168.13
CSR expenditure		5.85	3.23
Freight charges		431.93	221.09
Commission on sales		1,048.16	123.24
Business Promotion Expenses		2,116.74	2,678.38
Advertisement expense		3,226.82	1,653.84
Allowance for doubtful debts		1,965.47	-
Miscellaneous expenses		30.12	61.99
Total		17,852.14	16,784.28
(a) Payment to auditor			
		As at	As at
		31st March 2021	31 March 2020
As auditor:			
- Statutory audit		1.50	1.50
- Tax audit		0.35	0.35
		1.85	1.85

26 Deferred tax liabilities and assets

	As at 31st March 2021	As at 31 March 2020
Deferred tax assets		
Others	18,468.54	21,257.57
Deferred tax liability		
Property, Plant and Equipment	-3,090.27	-3,458.60
Net deferred tax asset not recognised in Balance Sheet	15,378.27	17,798.97

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

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.

Income taxes

A. Income tax expense recognised in profit or loss

		As at 31st March 2021	As at 31 March 2020
Current tax			
Current period		-	-
MAT credit entitlement		-	-
	A	-	-
Deferred tax			
Deferred tax for the year	B	-	-
Tax expense reported in the statement of profit and loss [(A)+(B)]		-	-

B. Income tax recognised in other comprehensive income

	As at 31st March 2021	As at 31 March 2020
Deferred tax		
On items that will not be reclassified to profit or loss	-	-
Income tax expense reported in the statement of profit and loss	-	-

27 Basic and diluted earnings per share (Ind AS 33)

	As at 31st March 2021	As at 31 March 2020
(a) Profit attributable to equity shareholders of the company used in calculating basic earnings per share (Rs. in lakhs)	3,781.86	17,551.45
(b) Profit attributable to equity shareholders of the company used in calculating diluted earnings per share (Rs. in lakhs)	3,781.86	17,551.45
(c) Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	50,000,000	50,000,000
(d) Weighted average number of ordinary shares in computing diluted earnings per share	50,000,000	50,000,000
(g) Earnings per share on profit for the year (Face Value Rs. 10/- per share)		
– Basic [(a)/(c)]	7.56	35.10
– Diluted [(b)/(d)]	7.56	35.10

28 Due to outbreak of Covid-19 globally and in India, the Group has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Group is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. The demand for the Group's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Group. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Group, in the long-term.

29 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.

30 Corporate Guarantees- Continuation to Note on Contingent Liability

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

31 Exceptional Items - Corporate Insolvency and Resolution Process ("CIRP") costs of INR 134.59 lakhs and Effects of implementation of resolution plan by transferring trade receivables & payables (net) outstanding prior to take over as per NCLT Order and not admitted by RP (Resolution Professional) of INR 16767.67 lakhs are accounted under exceptional items in the Previous year.

32 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:

(a) Revenue from operations

	As at 31st March 2021	As at 31 March 2020
Particulars		
within India	105,863.98	81,295.70
outside India	-	-
Total	105,863.98	81,295.70

(b) Non-current assets

All Non-current assets are located in India.

(c) Customer contributing more than 10% of Revenue

Revenue from two external customer is approximately Rs. 23433.18 Lakhs representing 22.01% of company's total revenue for the year ended 31 March 2021. Apart from the aforesaid two customer, the Company does not have a significant credit risk exposure to any other single counterparty.

33 Disclosure as per Ind AS 17 'Leases'

Operating leases - Leases as lessee

The Company's significant leasing arrangements are in respect of operating leases of land for commercial use (factory and office). Lease rent for the year has been charged to the Statement of Profit and Loss and included under 'Rates and taxes'/'Rent' in Note 25.

34 Employee Benefits

(a) Defined contribution plans:

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

	As at 31st March 2021	As at 31 March 2020
Particulars		
Employer's contribution to Provident Fund and ESIC	157.62	71.45

(b) Defined benefit plans:

Statement of Assets and Liabilities for defined benefit obligation

	Leave Encashment		Gratuity	
	As at 31st March 2021	As at 31 March 2020	As at 31st March 2021	As at 31 March 2020
Net defined benefit obligation	27.43	25.36	194.11	204.10
Net defined benefit asset	-	-	-	-
Total employee benefit liabilities	27.43	25.36	194.11	204.10
Non-current	25.38	22.48	182.31	186.26
Current	2.05	2.89	11.80	17.84

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

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

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

Amount in Rs. Lakhs

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:

	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31st March 2021	31 March 2020	31st March 2021	31 March 2020
(i) Reconciliation of present value of defined benefit obligation				
(a) Balance at the beginning of the year	25.36	50.83	204.10	438.36
(b) Current service cost	6.42	7.96	29.20	24.83
(c) Interest cost	1.67	3.81	13.47	32.88
(d) Past service cost	-	-	-	-
(e) Actuarial (gains)/ losses recognised in other comprehensive income				
- demographic assumptions	-	-0.01	-	-0.10
- financial assumptions	-0.79	2.02	-5.99	16.20
- experience adjustment	-2.81	24.26	-22.03	13.40
(f) Benefits paid	-2.42	-63.51	-24.63	-321.47
(g) Balance at the end of the year	27.43	25.36	194.11	204.10

	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31st March 2021	31 March 2020	31st March 2021	31 March 2020
(ii) Expense recognised in Profit or Loss				
(a) Current service cost	6.42	7.96	29.20	24.83
(b) Interest cost	1.67	3.81	13.47	32.88
(c) Past service cost	-	-	-	-
(d) Actuarial (gains) / losses	-3.60	26.27	-28.02	29.50
Amount charged to Profit or Loss	4.49	38.04	14.65	87.20

	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31st March 2021	31 March 2020	31st March 2021	31 March 2020
(iii) Remeasurements recognised in Other Comprehensive Income				
(a) Actuarial loss/ (gain) arising on defined benefit obligation from				
- demographic assumptions	-	-0.01	-	-0.10
- financial assumptions	-0.79	2.02	-5.99	16.20
- experience adjustment	-2.81	24.26	-22.03	13.40
(b) Actual return on plan asset less interest on plan asset	-	-	-	-
Amount recognised in Other Comprehensive Income	-3.60	26.27	-28.02	29.50

	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31st March 2021	31 March 2020	31st March 2021	31 March 2020
(iv) Reconciliation of present value of plan assets				
(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	2.42	63.51	24.63	321.47
(e) Benefits paid	-2.42	-63.51	-24.63	-321.47
(f) Balance at the end of the year	-	-	-	-

	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31st March 2021	31 March 2020	31st March 2021	31 March 2020
(v) Actuarial assumptions				
Discount rate (in %)	6.90%	6.60%	6.90%	6.60%
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)	19.47	18.6	19.47	18.6

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

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

		Amount in Rs. Lakhs			
(vi) Sensitivity analysis		Leave Encashment		Gratuity	
		As at 31st March 2021	As at 31 March 2020	As at 31st March 2021	As at 31 March 2020
Defined benefit obligation on discount rate plus 100 basis points		30.22	27.99	215.20	224.92
Defined benefit obligation on salary growth rate plus 100 basis points		24.81	22.93	175.11	185.40
Defined benefit obligation on attrition rate plus 50 basis points		26.96	24.97	191.61	201.92
Defined benefit obligation on mortality rate plus 50 basis points		27.36	25.31	193.60	203.68
Defined benefit obligation on discount rate minus 100 basis points		25.04	23.13	175.98	186.22
Defined benefit obligation on salary growth rate minus 100 basis points		30.45	28.19	215.89	225.55
Defined benefit obligation on attrition rate minus 50 basis points		27.85	25.71	196.27	205.99
Defined benefit obligation on mortality rate minus 50 basis points		27.50	25.42	194.62	204.50
(vii) Weighted average duration of defined benefit obligation (based on discounted cash flow)		Leave Encashment		Gratuity	
		As at 31st March 2021	As at 31 March 2020	As at 31st March 2021	As at 31 March 2020
In years		10	10	11	10
(viii) Maturity profile of defined benefit		Leave Encashment		Gratuity	
		As at 31st March 2021	As at 31 March 2020	As at 31st March 2021	As at 31 March 2020
Within the next 12 months		2.05	2.89	11.80	17.84
Between 1 and 5 years		5.99	5.76	42.98	52.96
Between 5 and 10 years		14.36	9.35	94.63	82.54
More than 10 years		38.61	37.94	297.12	283.39

35 Related Party Disclosures

Key Management Personnel (KMP)

Mr. Deepak Kumar Agarwal
Mr. Sanjay Kumar Chowdhary

Nature of Relationship

Chairman & Managing Director (CMD)
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.
Bahar Tie-Up Private Limited
Human Touch Tracom Pvt. Ltd.
Matrivani Impex Private Limited
Eloquent Steel Iron Pvt Ltd

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

(Amount in Rs.)

Nature of transaction	Name of related party	Transaction for the year ended	
		3/31/2021	3/31/2020
Purchase of Goods	Shakambhari Ispat & Power Ltd.	3,061,380,498	754,286,447
	Bravo Sponge Iron Pvt. Ltd.	1,362,095,520	2,224,524,503
	Eloquent Steel Pvt. Ltd.	574,476,804	730,177,542
	Shivratri Vyapaar Pvt.Ltd.	-	29,502,580
Sale of Goods	Shakambhari Ispat & Power Ltd.	320,201,828	251,766,325
	Bravo Sponge Iron Pvt. Ltd.	129,250,165	52,007,142
	Eloquent Steel Pvt. Ltd.	115,446,223	135,657,122
	Shivratri Vyapaar Pvt.Ltd.	23,127,531	-
Receiving of Service			
Director Remuneration	Mr. Deepak Kumar Agarwal	2,400,000	1,664,516
Director Remuneration	Mr. Sanjay Kumar Chowdhary	745,161	-
Rent	Eloquent Steel Iron Pvt Ltd	1,320,000	-
Unsecured Loan Received/(Paid) (Net)	Shakambhari Ispat & Power Ltd. (Term Loan- PNB)*	-	1,664,712,696
	Shakambhari Ispat & Power Ltd. (Covid Loan- PNB)	-58,300,000	-
	Shakambhari Ispat & Power Ltd. (Cash Credit- PNB)*	-	520,932,548

SPS STEELS ROLLING MILLS LIMITED
Notes to the financial statements for the year ended 31st March 2021 (Continued)

		Amount in Rs. Lakhs	
	Shakambhari Ispat & Power Ltd. (Loan - Long Term)	-500,000,000	500,000,000
	Shakambhari Ispat & Power Ltd. (Loan - Short Term)	-4,004,958	4,004,958
	(*Bank Transferred Loan accounts from Shakambhari Ispat & Power Ltd. to SPS Steels Rolling Mills Ltd)		
	Bahar Tie-Up Private Limited	-32,500,000	-
	Human Touch Tracom Pvt. Ltd.	-504,500,000	-
Unsecured Loan Given/(Refunded) (Net)	Matrivani Impex Private Limited	15,300,000	

Outstanding balances:

Name of related party	Balance for the year ended	
	3/31/2021	3/31/2020
Shakambhari Ispat & Power Ltd.	-58,300,000	-2,691,576,490
Bravo Sponge Iron Pvt. Ltd.	-	-
Eloquent Steel Pvt. Ltd.	-	5,028
Shivratri Vyapaar Pvt.Ltd.	206,424,951	183,297,420
Bahar Tie-Up Private Limited	-32,500,000	-
Human Touch Tracom Pvt. Ltd.	-504,500,000	-
Matrivani Impex Private Limited	15,300,000	-
Eloquent Steel Iron Pvt Ltd	85,341,370	-
Mr. Deepak Kumar Agarwal	-	-560,000
Mr. Sanjay Kumar Chowdhary	-298,801	-

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.

36 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.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	Year ended 31st March 2021		Year ended 31st March 2020	
	%	Amount	%	Amount
Revenue from a top customer	11.27%	11,932.53	11.01%	8,946.81
Revenue from top five customers	39.60%	41,926.73	40.79%	33,156.54

(ii) Liquidity risk

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

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

Exposure to liquidity risk

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

Particulars

<u>As at 31 March 2021</u>	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	5,619.39	19,486.07	-	25,105.47
Trade payables	7,945.29	-	-	7,945.29
Other financial liabilities	2,668.00	-	-	2,668.00
	16,232.69	19,486.07	-	35,718.76
<u>As at 31 March 2020</u>	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	5,249.38	20,847.13	-	26,096.50
Trade payables	5,210.79	-	-	5,210.79
Other financial liabilities	800.00	-	-	800.00
	11,260.17	20,847.13	-	32,107.29

(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:

Particulars	31 March 2021	31 March 2020
Fixed rate instruments		
Financial assets	857.79	728.47
Financial liabilities	(22,403.47)	(21,856.45)
Variable rate instruments		
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.

37 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.

SPS STEELS ROLLING MILLS LIMITED**Notes to the financial statements for the year ended 31st March 2021 (Continued)****Amount in Rs. Lakhs**

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, 2021 (5,00,00,000 shares as on 31st March, 2020) of Rs. 10 each aggregating to Rs. 5,000.00 lacs as on 31st March, 2021 (Rs. 5,000.00 lacs as on 31st March, 2020). Other equity aggregates to Rs. 12184.87 lacs (Rs. 8390.73 lacs as on 31st March, 2020)

Its total debt is Rs. 27773.47 lacs as on 31st March 2021 (Rs. 26896.50 lacs as on 31st March 2020)

38 Financial instruments and related disclosures**38.1 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 classified as Level 2.

38.2 Financial instruments by category

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

		As at 31st March 2021		As at 31st March 2020	
	Note No.	Carrying	Fair value Level 3	Carrying	Fair value Level 3
A. Financial assets:					
a) Measured at amortised cost					
Investments	5(a)	0.03	-	0.03	-
Other financial assets	5(b)	1,458.21	-	996.16	-
Trade receivables	8	18,910.68	-	13,475.01	-
Cash and cash equivalents	9	36.05	-	68.27	-
b) Measured at fair value through other comprehensive income					
Investments	5(a)	0.03	0.03	0.03	0.03
B. Financial liabilities:					
a) Measured at amortised cost					
Borrowings	13	25,105.47	-	26,096.50	-
Other financial liabilities	14	2,668.00	-	800.00	-
Trade payables	16	7,945.29	-	5,210.79	-

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: 28/06/2021
UDIN: 21307455AAAADZ4109

Binod Kumar Agrawal
Chief Financial Officer

Ashutosh Sharma
Company Secretary

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SPS Steels Rolling Mills Limited

Regd. Office: - "Diamond Prestige", 41 A, A.J.C Bose Road, 7th Floor, Kolkata-700017
Website- www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.in, **Phone:** 033-6625 5252
CIN - L51909WB198111PLC034409

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ATTENDANCE SLIP

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

I, hereby record my attendance at the 39th Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Thursday, the 30th day of September, 2021 at 10.30 A.M at the Corporate Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7th Floor, Room No.701, Kolkata-700017

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

SIGNATURE OF THE SHARE HOLDER OR PROXY: _____

-----✂-----✂-----✂-----

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN
117959		

Note: E-voting period:27th September, 2021 at 10.00 a.m IST and ends on 29th September, 2021 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, 7th Floor, Kolkata-700017
Website- www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.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 39th Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Thursday, the 30th day of September, 2021 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
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2021 and the reports of the Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Deepak Kumar Agarwal (DIN: 00646153) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Mr. Ashok Kumar Sharma (DIN: 09273096) as an Independent Director of the Company.		
4.	Approval for Related Party Transactions		
5.	Authority to Give Loans and Make Investments in Other Bodies Corporate		
6.	Ratification of remuneration of M/s. B.G. Chowdhury & Co, Cost Accountants in Practice (Firm Registration No.: 000064), Cost Auditor of the Company, for the Financial Year 2021-22.		

* Applicable for investors holding shares in electronic form.

Signed this ____ day of ____ 20__

Affix Revenue
Stamps

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder across

Revenue Stamp

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company