

The SAL logo is located in the top right corner of the page. It consists of the letters 'SAL' in a bold, blue, sans-serif font. A green plus sign is positioned between the 'A' and the 'L'. The logo is set against a white square background, which is itself on a blue diagonal banner that extends from the top right towards the center of the page.

**SAL**

The text 'ANNUAL REPORT 2023-24' is positioned on the left side of the page, overlaid on an orange diagonal banner. The text is in a white, bold, sans-serif font, arranged in three lines: 'ANNUAL', 'REPORT', and '2023-24'. The banner extends from the bottom left towards the center of the page.

**ANNUAL  
REPORT  
2023-24**

The text 'SAL STEEL LIMITED' is located at the bottom of the page. It is written in a bold, orange, sans-serif font. The text is centered horizontally and spans most of the width of the page. Below the text is a solid green horizontal bar that runs across the entire width of the page.

**SAL STEEL LIMITED**

## CORPORATE INFORMATION

### CORPORATE INFORMATION

Shri Rajendra V. Shah	(DIN: 00020904)	Non-Executive Chairman
Shri Babulal M Singhal	(DIN: 01484213)	Whole Time Director
Shri Ambalal C. Patel	(DIN: 00037870)	Independent Director
Shri Shrikant Jhaveri	(DIN: 02833725)	Independent Director
Smt. Shefali M. Patel	(DIN: 07235872)	Independent Director
Shri Mitesh V. jariwala	(DIN:09396683)	Independent Director
Shri Bipinbhai A. Gosalia	(DIN: 10521360)	Independent Director
Shri Sujal Shah	(DIN: 01431407)	Whole Time Director (Resigned w.e.f.09.04.2024)
Shri Harshad M Shah	(DIN: 01309096)	Independent Director (Resigned w.e.f. 31.03.2024)

### CHIEF FINANCIAL OFFICER

Shri Babulal M. Singhal (DIN: 01484213)

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Shri Vinay Kumar Mishra, ICSI M. No.: F11464  
(Resigned w.e.f. 24.07.2024)

### AUDIT COMMITTEE

Shri Shrikant N. Jhaveri, Chairman  
Shri Ambalal C. Patel, Member  
Smt. Shefali M. Patel, Member

### NOMINATION AND REMUNERATION COMMITTEE

Shri Shrikant N. Jhaveri, Chairman  
Shri Ambalal C. Patel, Member  
Smt. Shefali M. Patel, Member (w.e.f. 13.05.2024)  
Shri Harshad M. Shah, Member (Resigned w.e.f. 31.03.2024)

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri Shrikant N. Jhaveri, Chairman  
Shri Ambalal C. Patel, Member  
Smt. Shefali M. Patel, Member (w.e.f.13.05.2024)  
Shri Harshad M. Shah, Member (Resigned w.e.f. 31.03.2024)

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Ambalal C. Patel, Chairman  
Shri Rajendra V. Shah, Member  
Shri Babulal M. Singhal (w.e.f.13.05.2024)  
Shri Sujal A. Shah, Member (Resigned w.e.f.09.04.2024)

### REGISTERED OFFICE

5/1 Shreeji House,  
B/h M.J. Library, Ashram Road,  
Ahmedabad-380 006

### ADMINISTRATIVE OFFICE

**S.A.L. Steel Limited**  
Shah Alloys Corporate House,  
Sola-Kalol Road, Village Santej,  
Dist.-Gandhinagar-382 721

### PLANT

Survey No. 245, Village Bharapar,  
Tal. Gandhidham, Dist.: Kutch, Gujarat

### STATUTORY AUDITORS

M/s. Parikh & Majmudar, Chartered Accountants,  
303, "B" Wing, GCP Business Center,  
Opp. Memnagar Fire Station,  
Nr. Vijay Cross Roads, Ahmedabad – 380 009

### SECRETARIAL AUDITORS

**Kamlesh M. Shah & Co.,**  
Practicing Company Secretaries  
801-A, 8<sup>th</sup> Floor, Mahalaya Complex,  
Opp. Hotel President, B/h. Fairdeal House,  
Swastik Cross Roads, Off C. G. Road,  
Navrangpura, Ahmedabad 380 009 Gujarat

### REGISTRAR AND SHARE TRANSFER AGENTS

Kfin Technologies Limited Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana India - 500 032  
Whatsapp no.: (91) 910 009 4099  
Toll Free no.: 1800-309-4001  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) Website: [www.karvyfintech.com](http://www.karvyfintech.com)  
Investor Support Centre Link: <https://ris.kfintech.com/clientservices/isc>

### BANKERS TO THE COMPANY

ICICI Bank  
State Bank of India

### CORPORATE IDENTIFICATION NUMBER

CIN: L29199GJ2003PLC043148

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## NOTICE

**NOTICE** is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of **S.A.L. STEEL LIMITED** will be held on Friday, September 27, 2024 at 01:00 P.M. IST through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024, together with the Reports of the Board of Directors and the Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

2. To appoint Shri Rajendra V. Shah (DIN: 00020904) , who retires by rotation as a Director and being eligible, offers himself for re-appointment, and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Rajendra V. Shah (DIN: 00020904), who retires by rotation as a Director at this 21<sup>st</sup> Annual General Meeting, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, who shall be liable to retire by rotation."

### SPECIAL BUSINESS:

3. To ratify the remuneration payable to, Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March, 2025 and in this regard, to consider and if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants (ICAI Registration No.: 22464) appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025 be paid the remuneration of ₹ 75,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit."

By order of the Board of Directors  
For **SAL Steel Limited**

Sd/-

**Rajendra V. Shah**  
Chairman  
DIN: 00020904

**Place :** Santej, Gujarat  
**Date :** 9<sup>th</sup> August, 2024

### Registered Office:

5/1 Shreeji House,  
B/h M.J. Library, Ashram Road, Ahmedabad-380 006  
**CIN:** L29199GJ2003PLC043148

## NOTES

1. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, General Circulation no. 02/2021 dated 13<sup>th</sup> January, 2021, General Circular No. 3/2022 dated 5<sup>th</sup> May, 2022 and vide its new General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022; read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as "MCA Circulars") and other Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 issued by the Securities and Exchange Board of India (SEBI) read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021, Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 and vide its new Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 5<sup>th</sup> January, 2023 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue during the calendar year 2024. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 34<sup>th</sup> AGM of the Company shall be convened and conducted through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
3. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members as per the applicable Regulations relating to e-voting. For this purpose, the Company has entered into arrangement with National Securities Depository Limited (NSDL), for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
4. Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Members (i.e. other than Individuals / HUF, NRI, etc.) can appoint their representatives to attend the AGM through VC/OAVM and vote through e-voting. They are requested to send the scanned copy (PDF/JPEG Format) of their Board or Governing Body Resolution/ Authorisation etc., authorising their representative to attend the AGM through VC/OAVM to the Scrutiniser by e-mail through its registered e-mail address to [kshahcs@yahoo.co.in](mailto:kshahcs@yahoo.co.in) with a copy marked to [helpdesk.evoting@cdsl.co.in](mailto:helpdesk.evoting@cdsl.co.in) & [cs@shahalloys.com](mailto:cs@shahalloys.com).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting, is annexed hereto.
6. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will remain open and available for inspection by the members at the administrative office of the Company on all working days, except Saturdays and Sundays, during business hours up till the date of the Meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every member participating in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN to the Company or their Share Registrars and Transfer Agents.
8. Information pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 with respect to Directors seeking appointment / re-appointment at AGM is attached hereto. The said Directors have furnished necessary consent / declarations for their appointment / re-appointment.
9. As per Regulation 40 of the Listing Regulations, as amended, with effect from 25<sup>th</sup> January, 2022, securities of listed companies can be transacted only in dematerialized form for issuance of duplicate securities certificates, Claim from Unclaimed Suspense Account, Renewal/Exchange of Securities Certificate; Endorsement, Sub-division / splitting of Securities Certificate, Consolidation of Securities Certificates/Folios; Transfer; Transmission; Transposition etc. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, viz. KFIN Technologies Limited (RTA), having its office at Selenium Building, Tower-B, PlotNo. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telengana, india-500 032 Toll Free : 1800 309 4001, Email id.: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) & [shyam.kumar@karvy.com](mailto:shyam.kumar@karvy.com) and quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to RTA in case the shares are held in physical form.

11. Members who have not registered their email IDs so far with their depository participants, are requested to register their email IDs for receiving all the Communications including Annual Report, Notices etc. in electronic mode.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository.
13. The businesses set out in the Notice of this AGM will be transacted through electronic voting system. Instructions and other information regarding e-voting are given hereinbelow. The Company / NSDL will also send communication relating to e-voting which inter alia will contain details about User ID and password along with a copy of this Notice to the Members of the Company, separately.
14. In case of joint holders, Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
15. Members holding shares in single name in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website: [www.salsteel.co.in](http://www.salsteel.co.in) .
16. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31<sup>st</sup> March, 2024 is uploaded on the Company's website [www.salsteel.co.in](http://www.salsteel.co.in) and may be accessed by the members.
17. Electronic copy of the Annual Report for 2023-24 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same.
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
19. Since AGM will be held through VC/OAVM, the route map, proxy form and attendance slip are not attached to this Notice.
20. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of (a) Change in their Residential Status on return to India for the purpose of permanent settlement, along with PAN details, (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank along with PIN Code number, if not provided earlier.

## **NSDL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING THE ANNUAL GENERAL MEETING**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for

facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at [www.salsteel.co.in](http://www.salsteel.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09<sup>th</sup> December, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

**The remote e-voting period begins on Tuesday, 24<sup>th</sup> September, 2024 at 09:00 A.M. and ends on Thursday, 26<sup>th</sup> September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, 20<sup>th</sup> September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 20<sup>th</sup> September, 2024.**

#### **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 and joining virtual meeting 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
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under ‘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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></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>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

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

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

- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- 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 and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@salsteel.co.in](mailto:cs@salsteel.co.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 [cs@salsteel.co.in](mailto:cs@salsteel.co.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 and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) 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.

#### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed

under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@salsteel.co.in](mailto:cs@salsteel.co.in). The same will be replied by the company suitably.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before **Tuesday, 17<sup>th</sup> September, 2024** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before **Tuesday, 17<sup>th</sup> September, 2024** mentioning their name, demat account number/folio number, email id, mobile number at [cs@salsteel.co.in](mailto:cs@salsteel.co.in). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **GENERAL INSTRUCTIONS FOR VOTING:**

- a. Shri Kamlesh. M. Shah, Practicing Company Secretary, (Membership No. A8356 and COP No. 2072), Address: 801-A, Mahalaya Complex, Opp: Hotel President, B/h. Fairdeal House, Swastik Cross Roads, Navrangpura, Ahmedabad: 380 009, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, submit to the Chairman of the Company.
- c. Results declared by the Chairman along with the Scrutinizer's Report shall be placed on the Company's website <http://www.salsteel.co.in> and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company. The results shall be communicated to the NSE and BSE Limited and will also be uploaded on website of Stock Exchanges.
- d. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of **the cut-off date i.e. Friday, 20<sup>th</sup> September, 2024**, may obtain the login ID and password by sending a request at [www.evotingindia.com](http://www.evotingindia.com).

**Note:** For detailed instructions for e-voting, please visit website of NDSL.

**EXPLANATORY STATEMENT**

(Pursuant to section 102 of the companies act, 2013 and the rules framed thereunder)

**Item No. 3:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ashish Bhavsar & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025 at the remuneration of ₹ 75,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 03 of the Notice. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 03 of the Notice for approval by the shareholders.

By order of the Board of Directors  
For **SAL Steel Limited**

**Place :** Santej, Gujarat  
**Date :** 9<sup>th</sup> August, 2024

**Registered Office:**  
5/1 Shreeji House,  
B/h M.J. Library, Ashram Road, Ahmedabad-380 006  
**CIN:** L29199GJ2003PLC043148

Sd/-  
**Rajendra V. Shah**  
Chairman  
DIN: 00020904

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE  
21<sup>ST</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

[Pursuant to regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] and Secretarial Standard on General Meetings (SS-2)

<b>Name of Director</b>	<b>Shri Rajendrakumar Shah</b>
DIN	00020904
Designation	Non-Executive Director
Date of Birth	September 19, 1955
Original Date of Appointment	November 06, 2003
Relationship with other Directors Inter se	None
Profile & Expertise in specific functional Areas	More than 44 years of experience in trading of steel products and in construction company.
Qualification	B.E. (Mech.)
Shareholding in the Company	NIL
List of other Companies in which directorships are held	SHAH ALLOYS LIMITED
List of committees of Board of Directors (across all other Companies) in which Chairmanship/ Membership is held	<ol style="list-style-type: none"> <li>1. SAL STEEL LIMITED <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee (Member)</li> </ul> </li> <li>2. SHAH ALLOYS LIMITED <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Audit Committee (Member)</li> <li>- Nomination and Remuneration Committee (Member)</li> </ul> </li> </ol>
Listed entities from which the person has resigned from Directorships in the past three years	None
Listed entities from which the person has resigned from Chairmanship/ Membership in the past three years	None

## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the 21<sup>st</sup> Annual Report of your company on the operations and performance along with the Audited Financial Statements and the Auditor's Report thereon, for the year ended on 31<sup>st</sup> March, 2024.

### FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Total Revenues	578.23	510.13
Total Expenditure	567.97	495.07
Profit before interest depreciation, extraordinary item and tax	10.26	15.06
Depreciation and Interest	9.62	9.54
Profit / (Loss) before exceptional, extraordinary item and tax	0.64	5.52
Exceptional & Extraordinary item	-	-
Profit / (Loss) before tax	0.64	5.52
Tax Expense / Deferred tax	0.17	1.97
Net Profit / (Loss) for the year	0.47	3.55
Total Comprehensive income	0.03	0.15
Profit / (Loss) Brought forward from last year	(80.27)	(83.97)
Balance Carried forward	(79.77)	(80.27)

### STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total Revenue from operation has increased from ₹ 510.13 Crores to ₹ 578.23 Crores as compared to previous year's turnover. Company has registered a net profit before tax of ₹ 0.64 Crores in comparison to net profit of ₹ 5.52 Crores during previous year.

### DIVIDEND

As the Company has other pipelined projects for growth the Directors of your Company have not recommended dividend for the financial year 2023-24.

### BUSINESS ACTIVITY

The company is engaged in manufacture of Sponge Iron, Ferro Alloys and Power. Company is generating power on account of waste heat recovery system resulting economic price. Company is having its power plant of 40 MW. Power generated is used for captive consumption. There has been no change in the nature of business of the Company.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary/ joint venture / associate. The Company is an Associate Company of M/s. Shah Alloys Limited as it is holding more than 20% of the Equity Share Capital in the Company as a Promoter Company.

### SHARE CAPITAL

During the financial year ended on March 31, 2024 there was no change in the authorized and paid-up share capital of the Company.

However after Closure of Financial year 2023-24, Company has issued 48,00,000 Warrants Convertible into 48,00,000 Fully paid up Equity Shares of ₹10/- each at a price not less than ₹25/- (Includes Premium of ₹15/-) to the promoter allottee (SAL CARE Private Limited) on a preferential basis as on 29<sup>th</sup> June, 2024 approved by Special Resolution passed at Extra ordinary General Meeting was held through Video Conference ("VC") and /or other audio visual means ("OAVM") (Hereinafter Referred to as "Electronic Mode") on Saturday, 08<sup>th</sup> June, 2024 .

**DEPOSIT**

The Company has not accepted any deposit during the year under review and no amount against the same was outstanding at the end of the year falling within the ambit of Section 73 of the Companies Act, 2013 (the act) and the Companies (Acceptance of Deposits) Rules, 2014.

**DETAILS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

**LISTING OF SHARES**

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the year 2024-25 has been paid to the credit of both the Stock Exchanges.

**DETAILS OF DIRECTORS OR KMPS APPOINTMENT OR RESIGNATION**

The Board of Directors consists of Seven (07) members, of which five (05) are Independent Directors including one Women Independent Director.

**Directors:**

During the financial year 2023-24, the Board of Directors of the Company, based on the approval and recommendation of members of Nomination and Remuneration Committee has appointed Shri Piyush Chandarana (DIN: 08675864), as Additional Director designated as Whole-time Director w.e.f. August 25, 2023. Subsequently, he was appointed as Whole Time Director of the Company by way of Ordinary Resolution passed at the 20<sup>th</sup> Annual General Meeting of the Company for the period of three (03) consecutive years commencing from August 25, 2023 up to August 24, 2026 liable to retire by rotation.

During the financial year 2023-24, the Board of Directors of the Company, based on the approval and recommendation of members of Nomination and Remuneration Committee has appointed Shri MITESH VASANTBHAI JARIWALA (DIN: 09396683), as Additional Director (Non-Executive, Independent) subject to the approval and regularization of his appointment by the members of the company in the next general meeting or within a time period of 3 Months from the date of appointment, whichever is earlier, as non-executive Independent Director of the company to hold office for a term of 5(Five) consecutive years w.e.f. February 24, 2024. Subsequently, he was appointed as Non-executive Independent Director of the Company by way of Special Resolution passed by the members of the company through postal ballot (meeting Sr. No. 01/PB/2023-24) on Friday, March 29, 2024 through remote e-voting commenced from Thursday, February 29, 2024 at 09.00 AM (IST) and ended on Friday, March 29, 2024 at 05.00 Pm (IST).

During the financial year 2023-24, the Board of Directors of the Company, based on the approval and recommendation of members of Nomination and Remuneration Committee has appointed Shri BIPINBHAI AMULAKHBHAI GOSALIA (DIN: 10521360), as Additional Director (Non-Executive, Independent) subject to the approval and regularization of his appointment by the members of the company in the next general meeting or within a time period of 3 Months from the date of appointment, whichever is earlier, as non-executive Independent Director of the company to hold office for a term of 5(Five) consecutive years w.e.f. February 24, 2024. Subsequently, he was appointed as Non-executive Independent Director of the Company by way of Special Resolution passed by the members of the company through postal ballot (meeting Sr. No. 01/PB/2023-24) on Friday, March 29, 2024 through remote e-voting commenced from Thursday, February 29, 2024 at 09.00 AM (IST) and ended on Friday, March 29, 2024 at 05.00 Pm (IST).

During the financial year 2023-24, Shri Jay Prakash Goyal (DIN: 08874805), has resigned from the post of Whole Time Director of the company w.e.f. MAY 13, 2023 due to personal reasons.

During the Financial year 2023-24, Cessation of Shri Tejpal Somchand Shah (DIN: 01195357), Non-Executive Independent Director of the company has occurred due to his death as on December 05, 2023.

During the financial year 2023-24, Mr. Harshad M. Shah (DIN: 01309096), Non-executive Independent Director has resigned w.e.f Closure of Business hours as on March 31, 2024 due to completion of his tenure as an Independent Director of the company.

Except above there were no other changes in respect of constitution of Board of Directors of the company during the Financial year 2023-24. However, After Closure of Financial Year 2023-24, Shri Sujalkumar Ashokkumar Shah (DIN: 01431407), has resigned from the post of Whole Time Director of the company w.e.f. April 9, 2024 due to personal reasons.

And after closure of financial year 2023-24, Shri Piyush Chandarana (DIN: 08675864) has resigned from the post of Whole Time Director of the company w.e.f. MAY 25, 2024 due to personal reasons.

### **Key Managerial Person:**

During the year under review, Shri Manish Daulani (M. No.: A53487), has resigned w.e.f. 12th August, 2023 from the post of Company Secretary & Compliance Officer (Key Managerial Person) and Shri Vinay Kumar Mishra (M. No.: F11464), was appointed w.e.f. 25<sup>th</sup> August, 2023 on the position of Company Secretary & Compliance Officer (Key Managerial Person) of the Company in terms of Section 203 of Companies Act, 2013 and regulation 6(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Except above there were no other changes in respect of appointment and resignation of Key managerial Persons of the company. However, post 31.03.2024, Shri Vinay Kumar Mishra (M. No.: F11464), has resigned from the post of Company Secretary and Compliance Officer (key Managerial Person) w.e.f. July 24, 2024 due to personal reasons.

### **MEETINGS OF THE BOARD AND COMMITTEES**

During the year under review, total six (06) meetings of Board of Directors were held on the following dates 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 25<sup>th</sup> August, 2023, 04<sup>th</sup> November, 2023, 08<sup>th</sup> February, 2024 and 24<sup>th</sup> February, 2024. Details of meetings are given in the Corporate Governance Report annexed herewith as **Annexure – 5** and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she met with the criteria of independence as laid out in sub-section (6) of Section 149 read with schedule IV of the Companies Act, 2013 and under regulation 16(1)(b) and 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. In the opinion of the Board, the Independent Directors fulfill the criteria of independence as provided under the Act, Rules made thereunder read with applicable provisions of the Listing Regulations, and they are independent of the management and also possess requisite qualifications, experience, and expertise and hold highest standards of integrity. The report on Corporate Governance which is forming part of the Annual Report contains the disclosure regarding the skills, expertise, competence and proficiency possessed by the Directors. Further, there has been no change in the circumstances affecting their status as Independent Directors of the Company. The Board has taken on record the declarations of the Independent Directors, after undertaking due assessment of the veracity of the same.

### **BOARD DIVERSITY**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Company follows diverse Board structure.

### **BOARD EVALUATION**

As per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is herewith as **Annexure – 5** and forms a part of this report.

### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

### **CORPORATE GOVERNANCE REPORT**

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024, as per regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 is enclosed herewith as **Annexure – 5** and forms part of this Report.



**CORPORATE GOVERNANCE CERTIFICATE**

As required by Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s. Kamlesh M. Shah & Co. (ACS: 8356, COP: 2072), Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority.

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

As required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report as **Annexure -1**.

**RISK MANAGEMENT**

The Company had put in place an enterprise wide risk management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. The Committee reviews strategic decisions of the Company and on regular basis, reviews the Company's portfolio of risks and considers it against the Company's Risk Appetite. The Committee also recommends changes to the Risk Management Technique and / or associated frameworks, processes and practices of the Company.

**WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

The Company has put in place a Whistle Blower Policy and has implemented a Vigil Mechanism, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

**CORPORATE SOCIAL RESPONSIBILITY**

As per the provisions of section 135 of the Companies Act, 2013 and rules made thereunder are not applicable to the company for the financial year 2023-24 based on the Calculation of average net profit under Section 198 and rules made thereunder. Hence, no amount required to be spent on CSR activities during the financial year 2023-24 and the details pursuant to Annual Report on CSR activities for the Financial Year 2023-24 is not required to provide to this report for the financial year 2023-24.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In Compliance with Sections 134(3) (c) and 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and hereby confirm the following:

- a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2024 as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) The Directors had 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 had prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 is available on the Company's website at [www.salsteel.co.in](http://www.salsteel.co.in)

## **DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, a committee has been established at the offices for this purpose. There were no complaints pending for the Redressal at the beginning of the year and no complaints received during the financial year.

## **PARTICULARS OF THE EMPLOYEES**

Information pursuant to rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure-2**. Further, particulars of employees remuneration, as prescribed 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) Rules, 2014, are not attached with this report since there was no employee who was in receipt of excess remuneration as prescribed.

## **RELATED PARTIES TRANSACTIONS**

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, were in the ordinary course of business and on an arm's length basis and as such did not attract provisions of section 188 (1) of Companies Act, 2013. The Company has formulated policy on related party transactions. Particular of related party transactions in prescribed Form AOC-2 is attached at **Annexure-3**. Approvals from the Audit Committee are obtained even for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board. Details of related party transactions are given in the notes to financial statements.

None of the Independent Directors have any pecuniary relationship with your Company.

## **DISCLOSURE OF ACCOUNTING TREATMENT**

The financial statements have been prepared in accordance with Indian Accounting Standards (IND AS). The Company has prepared these financial statements to comply in all material respects with the IND AS, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

## **AUDITORS AND AUDIT REPORTS**

### **a. Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31<sup>st</sup> March, 2024. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year ending 31<sup>st</sup> March, 2025 subject to approval of remuneration by the members of the Company in the Annual General Meeting.

#### **Disclosure on maintenance of Cost Records**

The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2023-24

### **b. Internal Auditor**

The Company has appointed an Independent firm of Chartered Accountants to act as an Internal Auditor as per suggestion of auditors and recommendation of the Audit Committee in order to strengthen the internal control system for the Company.

### **c. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s. Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2024-25. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31<sup>st</sup> March, 2024 is attached to this report as **Annexure-4**. Remarks of secretarial auditor are self-explanatory.

## Annual Secretarial Compliance Report

Pursuant to regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2024 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s. Kamlesh Shah & Co., Practicing Company Secretaries, Secretarial Auditor.

## Certificate on Corporate Governance

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024, as per regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this report as **Annexure - 6**.

## Certificate of Non-Disqualification of Directors

A certificate of Non-Disqualification of Directors for the Financial Year 2023-24, pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 issued by Practicing Company Secretary is annexed to this report as **Annexure - 7**.

## d. Statutory Auditors

Members have at their 19th Annual General Meeting held on September 23, 2022, approved the re-appointment of M/s. Parikh & Majmudar, Chartered Accountants, as statutory auditors of the for a terms of five years as per provisions of the Companies Act, 2013.

## Statutory Auditors' Report

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

## Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors. Further, there are no Qualifications, reservations or adverse remarks contain in the Auditor's Report for the year under review.

## MATERIAL CHANGES / INFORMATION

- a. In respect of material changes or commitments after closure of the financial year 2023-24 up to the date of this report, company has issued 48,00,000 Warrants Convertible into 48,00,000 Fully paid up Equity Shares of ₹10/- each at a price not less than ₹25/- (Includes Premium of ₹15/-) to the promoter allottee (SAL CARE Private Limited) on a preferential basis as on 29<sup>th</sup> June, 2024 approved by Special Resolution passed at Extra ordinary General Meeting was held through Video Conference ("VC") and /or other audio visual means ("OAVM") (Hereinafter Referred to as "Electronic Mode") on Saturday, 08<sup>th</sup> June, 2024. Except these there have been no material changes or commitments after the closure of the financial year up to the date of this report that may have substantial effect on the business and financial of the Company.
- b. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

## ANNUAL RETURN

Annual Return in Form MGT-7 in compliance with section 92 of the Companies Act, 2013 read with applicable rules made thereunder is available at the website of the Company i.e. [www.salsteel.co.in](http://www.salsteel.co.in).

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2023-24.
- There was no instance of onetime settlement with any Bank or Financial Institution during the Financial Year 2023-24.

### **APPRECIATION**

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions, Banks and ARCs during the year. Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

### **CAUTIONARY STATEMENT**

Statement in the Board's Report and the Management Discussion and Analysis describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic demand and supply conditions affecting selling price of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations

By order of the Board of Directors  
For **SAL Steel Limited**

**Place :** Santej, Gujarat  
**Date :** 9<sup>th</sup> August, 2024

**Registered Office:**  
5/1 Shreeji House,  
B/h M.J. Library, Ashram Road, Ahmedabad-380 006  
**CIN:** L29199GJ2003PLC043148

Sd/-  
**Rajendra V. Shah**  
Chairman  
DIN: 00020904

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

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2024)

**A. CONSERVATION OF ENERGY**
**(a) Energy conservation measures taken:**

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

**(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-**

Your Company is highly power intensive industry and power is the basic requirements of manufacturing process. In order to reduce the cost per unit for power consumption, the Company has installed 40 MW Captive Power Plant.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

The company is operating 40 MW Captive Power Plant in parallel with GETCO Grid and with the consumption of own power, Company saves substantial amount from the same.

**(d) Total energy consumption and energy consumption per unit of production: (₹ in lacs)**

Particulars of Product		2023-24	2022-23
<b>(I)</b>	<b>POWER &amp; FUEL CONSUMPTION</b>		
<b>1</b>	<b>ELECTRICITY</b>		
	<b>(a) Purchased</b>		
	Unit (Kwh)	5226643	9151670
	Total Amount (₹)	827.16	1189.34
	Rate / Unit (₹)	10.05	13.00
	<b>(b) Own Generation</b>		
	<b>(i) Through Diesel Generator Unit (Kwh)</b>		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (₹)	Nil	Nil
	<b>(ii) Through Steam Turbine / Generator Unit (Kwh)</b>	140698000	92525341
	Unit Per Kg of Lignite		
	Cost Lignite / Unit (₹)	4.71	5.95
	Cost Coal / Unit (₹)		--
	Cost Coal & Lignite / Unit (₹)	4.71	5.95
<b>2</b>	<b>COAL (Including Coal Fines)</b>		
	Quantity (MT)	130335	84169
	Total Cost (₹)	5270.94	3930.01
	Average Rate (₹)	4044	4669
<b>3</b>	<b>FURNACE OIL</b>		
	(used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
<b>4</b>	<b>OTHERS – LIGNITE</b>		
	(used in the generation of steam)		
	Quantity (K Tonns)	Nil	Nil
	Total Cost (₹)	Nil	Nil
	Average Rate (₹)	Nil	Nil
<b>(II)</b>	<b>CONSUMTION PER M.T. OF PRODUCTION</b>		
	Particulars of Product		
	Electricity (in Unit)	Nil	Nil
	Furnace Oil	Nil	Nil
	Coal (Specify quantity)	Nil	Nil
	Others	Nil	Nil

## B. TECHNOLOGY ABSORPTION

### (I) Research and Development (R & D)

(₹ in lacs)

Particulars	2023-24	2022-23
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:	Nil	Nil
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total		
d. Total R&D expenditure as a percentage of total turnover	Nil	Nil

### (II) Technology absorption, adaptation:

(₹ in lacs)

Particulars	2023-24	2022-23
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lacs)

Particulars	2023-24	2022-23
<b>1. FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>		
a. Foreign Exchange earnings	731.72	748.04
b. Foreign Exchange outgo	243.85	167.83
<b>2. TOTAL FOREIGN EXCHANGE USED AND EARNED</b>		
As per notes on account		

For and on behalf of the Board of Directors of  
For **SAL Steel Limited**

Place : Santej, Gujarat  
Date : 9<sup>th</sup> August, 2024

**Registered Office:**  
5/1 Shreeji House,  
B/h M.J. Library, Ashram Road, Ahmedabad-380 006  
CIN: L29199GJ2003PLC043148

Sd/-  
**Rajendra V. Shah**  
Chairman  
DIN: 00020904

## ANNEXURE-2

### A. Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:			
Sr. no.	Name of director / KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2023-24	% increase / (decrease) in remuneration in the FY 2023-24
a)	Shri Sujal Shah	Whole Time Director	2.00 :1	-
b)	Shri Babulal Singhal	Whole Time Director cum CFO	3.12:1	-
c)	Shri Jai Prakash Goyal	Whole-time Director	1.43:1	Not applicable
d)	Shri Piyush Chandarana	Whole Time Director	4.41:1	Not applicable
e)	Shri Manish Daulani	Company Secretary	Not applicable	Not applicable
f)	Shri Vinay Kumar Mishra	Company Secretary	Not applicable	Not applicable

II.	The percentage increase in the median remuneration of employees in the financial year:	7.50%
III.	The number of permanent employees on the rolls of company:	315
IV.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase in the salaries of employees other than the managerial personnel was 8.68 % and that of managerial personnel was 27.54%. Further, there were no exceptional circumstances for increase in the remuneration.
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013

### B. Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Since the remuneration paid to any of the employees does not exceeds the limits specified under the provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules, therefore disclosure requirements regarding the details of employee remuneration are not applicable to the Company.

### ANNEXURE-3

## 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 TRANSACTION UNDER THIRD PROVISIO THERETO.**

1	Details of contracts or arrangements or transactions not at arm's length basis							
	Name (s) of the related party	Nature of transaction	Duration of the transaction	Salient terms of the transaction	Justification for transactions'	Date of approval by the Board	Amount paid as advances	Date of special resolution
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value (in ₹)	Date of approval by the Board	Amount paid as advances
	Shah Alloys Limited	Promoter Company	Sale of Power	April 2023- March 2024	41,90,65,976	These RPTs are in the ordinary course of business and are at arms' length basis and are approved by the Audit Committee and the Board in their meeting held on 29 <sup>th</sup> May, 2023 these are reported to the Audit Committee / Board at their quarterly meet ings.	N.A.
			Sale of material & services		2,29,63,05,040		
			Purchase of material & services		1,05,01,043		



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

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

To,  
The Members,  
**S A L STEEL LIMITED**  
**CIN: L29199GJ2003PLC043148**

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S A L STEEL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **S A L STEEL LIMITED**, 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/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31<sup>st</sup> March 2024** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **S A L STEEL LIMITED (CIN: L29199GJ2003PLC043148)** for the financial year ended on **March 31, 2024 according to the provisions of:**

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) 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 regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**.
- (v) 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 Takeover) Regulations, 2011; The Annual Disclosure of shareholding by Promoters/ Directors as per Regulation 31(4) is made for the year under review. However, the company may make such disclosure through System Driven Disclosure to be maintained by Depositories with whom the company is to sign agreements.

**COMPLIED WITH ANNUAL DISCLOSURE OF SHAREHOLDING AS PER REGULATIONS 30 OF THE REGULATIONS.**

- (b) The Securities and Exchange Board of India (Prohibition of Insider Training) Regulations, 2015. The Company has installed a Structural Digital Database Software in a computer system with password protection for access and making entries therein. The company has made all entries therein for all the UPSI Sharing with Directors, Promoters, KMP, all other professional persons and persons who are deemed to have access to such UPSI from time to time during the year under. The Company has filed Compliance Certificate on a quarterly basis to the stock exchange in time.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**.
- (d) Securities And Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(NO ESOS OR ESOPS WERE ISSUED DURING THE YEAR UNDER REVIEW)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**

- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. The Company is submitting on quarterly basis Certificate/ Confirmation u/r. 74(5) of SEBI (Depositories and Participants) Regulations and Annual Confirmation/ Certificate from RTA signed by Company also as per Regulation 7(3) of SEBI (LODR) 2015.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(NOT APPLICABLE FOR THE YEAR UNDER REVIEW)**
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Regulations etc.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f July 01, 2015 or any amendment, substitution, if any, are adopted by the Company and are complied with.
- (ii) The secured loans/ borrowings made by company for following charges/ mortgages created by the Company are fully repaid and satisfied however, the management is in process to obtain satisfaction letter/account closure certificates from charge holders and file form CHG-4 with Ministry of Corporate Affairs. The Company has also taken up the matter with Registrar of Companies, Gujarat State for Removal of these charges from its Register as they are satisfied well before 10 years. The Mater is also actively considered by the ROC but final decision of the Regulatory authorities is yet to be confirmed/ awaited.

Charge ID	Date of Creation/ Last Modification	Name of Beneficiary	Amount of charge	Actual date of Full Repayment
10333322	20/01/2012	HDFC Bank Ltd	33,00,000/-	01/05/2014
10310289	15/09/2011	Srei Equipment Finance Ltd	45,00,000/-	01/05/2015
10154901	31/03/2009	Union Bank of India	12,35,000/-	12/09/2011

- (iii) The Listing Agreements entered into by the Company with Stock Exchanges and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that:**

The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors, independent directors, and woman director. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the act and with intimation to stock exchanges(s).

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 or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**I further report that** during the audit period, the company has not incurred any specific event / action that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

For **KAMLESH M. SHAH & CO.,**  
Practicing Company Secretaries

Sd/-  
**(Kamlesh M. Shah)**  
Proprietor

ACS: 8356, COP: 2072  
UDIN: A008356F000864961

Place : Ahmedabad  
Date : 31<sup>st</sup> July, 2024

**“ANNEXURE-A”****Securities Laws**

1. All Price Sensitive Information were informed to the stock exchanges from time to time as per Regulation 30 of the SEBI (LODR) 2015
2. All investors complain directly received by the RTA and Company is recorded on the same date of receipts and all are resolved within reasonable time. The Company files Status of Investors Complaints as per Regulation 13 on quarterly basis with Stock Exchange regularly.
3. Other SEBI (SAST) Regulations, SEBI (PIT) Regulations, SEBI (LODR) Regulations and other regulations as are applicable are complied with subject to our observation in this report.

**Labour Laws**

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments as provisions of Child & Adolescent Labour (Prohibition & Regulation) Act, 1986.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are applicable to Company and Complied with.
4. The Company has yet not filed an annual return under provisions of POSH with District Collector for the year under review.

**Environmental Laws**

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable.

**Taxation Laws**

We are informed by the management that the company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments. We have relied upon observations of statutory auditors in this matter.

**Other Industry Specific Act/ Laws/ Rules/ Regulations:**

The Company does not use any Minerals or Iron Ore or such other materials which are under the control and regulations of specific Law related authorities under the Mines Act and such other Steel Industry Related Act, laws or Rules Regulations etc are not applicable to the Company.

For **KAMLESH M. SHAH & CO.,**  
Practicing Company Secretaries

Sd/-

**(Kamlesh M. Shah)**

Proprietor

ACS: 8356, COP: 2072

UDIN: A008356F000864961

**Place :** Ahmedabad  
**Date :** 31<sup>st</sup> July, 2024

**“ANNEXURE-B”**

To  
The Members,  
**S A L STEEL LIMITED**  
CIN: L27100GJ1990PLC014698  
5/1, Shreeji House, 5<sup>th</sup> Floor,  
B/H M J Library, Ashram Road, Ahmedabad - 380 006, Gujarat, India.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

For **KAMLESH M. SHAH & CO.,**  
Practicing Company Secretaries

Sd/-

**(Kamlesh M. Shah)**

Proprietor

ACS: 8356, COP: 2072

UDIN: A008356F000864961

**Place :** Ahmedabad  
**Date :** 31<sup>st</sup> July, 2024

## CORPORATE GOVERNANCEREPORT

Detailed report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024, as per regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 is set out below:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

### 2. BOARD OF DIRECTORS:

#### A. Composition:

As on 31<sup>st</sup> March, 2024, the composition of the Board of Directors of the Company was as follows:

Sr. No.	Name of Director	Category
1	Shri Rajendra V. Shah	Promoter Non- Executive Chairman
2	Shri Sujal A. Shah (Resigned w.e.f. 09.04.2024)	Non Promoter Whole time Director
3	Shri Babulal M. Singhal	Non Promoter Whole time Director
4	Shri Jai Prakash Goyal (Resigned w.e.f. 13.05.2023)	Non Promoter Whole time Director
5	Shri Ambalal C. Patel	Non – Executive & Independent Director
6	Shri Harshad M. Shah (Resigned w.e.f. 31.03.2024)	Non – Executive & Independent Director
7	Shri Tejpal S. Shah (Demised on 05.12.2023)	Non – Executive & Independent Director
8	Smt. Shefali M. Patel	Non – Executive & Independent Director
9	Shri Shrikant N. Jhaveri	Non – Executive & Independent Director
10	Shri Mitesh V. jariwala (Appointed as on 24.02.2024)	Non-Executive & Independent Director
11	Shri Piyush Chandarana (Appointed on 25.08.2023 and resigned w.e.f. 25.05.2024)	Non Promoter Whole Time Director
12	Shri Bipinbhai A Gosalia ((Appointed as on 24.02.2024)	Non-Executive & Independent Director

#### B. Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting (AGM):

Sr. No.	Name of Directors	Attendance in Board Meeting						Attendance in AGM
		29.05.2023	10.08.2023	25.08.2023	04.11.2023	08.02.2024	24.02.2024	29.09.2023
1	Shri Rajendra V. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Shri Sujal A. Shah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Shri Babulal M. Singhal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Shri Jai Prakash Goyal	NA	NA	NA	NA	NA	NA	NA
5	Shri Piyush Chandarana	NA	NA	NA	YES	YES	YES	YES
5	Shri Ambalal C. Patel	NO	Yes	Yes	Yes	Yes	Yes	Yes
6	Shri Harshad M. Shah	Yes	Yes	Yes	Yes	Yes	Yes	No

Sr. No.	Name of Directors	Attendance in Board Meeting						Attendance in AGM
		29.05.2023	10.08.2023	25.08.2023	04.11.2023	08.02.2024	24.02.2024	29.09.2023
7	Shri Tejpal S. Shah	Yes	Yes	Yes	Yes	NA	NA	No
8	Smt. Shefali M. Patel	Yes	Yes	Yes	Yes	Yes	Yes	
9	Shri Shrikant N. Jhaveri	Yes	Yes	Yes	Yes	Yes	Yes	
10	Shri Mitesh V Jariwala	NA	NA	NA	NA	NA	NA	
11	Shri Bipinbhai A Gosalia	NA	NA	NA	NA	NA	NA	

Yes – Attended, No – Not Attended, N.A. – Not Applicable

**C. Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31<sup>st</sup> March, 2024:**

Sr. No.	Name of Director	Directorships in other Board of Directors	Membership* of Committees of Other Boards	Chairmanship* of Committees of Other Boards
1	Shri Rajendra V. Shah	1	1	-
2	Shri Sujal A. Shah (Resigned w.e.f.09.04.2024)	-	-	-
3	Shri Babulal M. Singhal	-	-	-
4	Shri Ambalal C. Patel	6	4	2
5	Shri Harshad M. Shah (Resigned W.e.f.31.03.2024)	1	-	-
6	Smt. Shefali M. Patel	1	2	-
7	Shri Shrikant N. Jhaveri	3	1	1
8	Shri Bipinbhai A Gosalia	-	-	-
9	Shri Mitesh V Jariwala	-	-	-

*\*Chairmanship and Membership of Audit Committee and Stakeholders' Relationship Committee have been considered pursuant to regulation 26(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.*

None of the Directors holds chairpersonship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten, as specified under Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. No Director of the Company is related to any other director on the Board.

None of the Independent Directors serves as a Whole-time Director/Managing Director in any other listed company. Further, none of the Non-Executive Director of the Company, holds Directorship/Independent Directorship in more than seven listed companies and the Executive Directors of the Company does not hold Independent Directorship in any listed companies as provided under Regulation 17A of SEBI (LODR) Regulations, 2015.

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independence of the Board and to separate the board functions of governance and management. As on 31<sup>st</sup> March, 2024 the Board comprises of total Seven (07) Directors out of which three (02) are Executive Directors, five (05) are Non-Executive Independent Directors and the Chairman of the Board is Non-executive and Non-Independent Director.

Names of the listed entities where the person is a director and the category of directorship as on 31<sup>st</sup> March, 2024:

Sr. No.	Name of Director	Directorship(s) in other listed entities	Category of Director
1	Shri Rajendra V. Shah	Shah Alloys Limited	Non- Executive Non-Independent Chairman
2	Shri Sujal A. Shah (Resigned w.e.f. 09.04.2024)	-	-
3	Shri Babulal M. Singhal	-	Executive Director
4	Shri Piyush Chandarana (Resigned w.e.f. 25.05.2024)	-	Executive Director
4	Shri Ambalal C. Patel	1. Jindal Hotels Limited	Non-Executive - Independent Director-Chairperson
		2. Shree Rama Newsprint Limited	Non-Executive - Independent Director
		3. Ajmera Reality & Infra India Limited	Non-Executive - Independent Director
		4. Shah Alloys Limited	Non-Executive - Independent Director
		5. Sumeru Industries Limited	Non-Executive - Independent Director
		6. Shree Precoated Steels Limited	Non-Executive - Independent Director-Chairperson
5	Shri Harshad M. Shah (Resigned w.e.f. 31.03.2024)	Shah Alloys Limited	Non – Executive & Independent Director
6	Smt. Shefali M. Patel	Shah Alloys Limited	Non – Executive & Independent Director
7	Shri Shrikant N. Jhaveri	4. Maruti Infrastructure Limited	Non-Executive - Independent Director
8	Shri Bipinbhai A. Gosalia	Shah Alloys Limited	Non-Executive –Independent Director
9	Shri Mitesh V. Jariwala	Shah Alloys Limited	Non-Executive Independent Director

**D. Number of Meetings of the Board of Directors and dates on which the said Board Meetings were held:**

During the financial year 2023-24, Six (06) Board Meetings were held. The dates on which these Meetings were held are given in the Table hereinabove.

**E. Disclosure of relationships between directors inter-se: None of the Directors are related to each other.**

**F. Independent Directors’ Meeting:**

Independent Directors met on 08.02.2024 without presence of Non - Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company’s Management and the Board.

**G. Shareholding of Non-Executive Directors:**

As on 31<sup>st</sup> March, 2024, Shri Ambalal C. Patel, Independent Director of the Company held 89,000 shares in the equity share capital of the Company. None of the other Non-Executive Directors hold any equity shares in the Company. None of the other Non-Executive Directors hold any equity shares in the Company.

**H. DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS**

Pursuant to regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company has familiarized the Independent Directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company’s operations, function, strategy and risk management plan of the Company.

Details of familiarization programs extended to the Independent Directors are also disclosed on the Company website from time to time at: <http://www.salsteel.co.in/policies/4.%20Familiarization%20Policy%20-%20Independent%20Director.pdf>

**3. COMMITTEES OF THE BOARD**

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its Charter which outlines the scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for its approval.

The various Board level Committees are as under:

**A. AUDIT COMMITTEE:**

The composition and terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Act and , Regulation 18 of the Listing Regulations and regulation 9A(4) of SEBI (PIT) Regulations, 2015. The composition of Committee is given in this Report.

Terms of Reference of the Committee inter alia include the following:

- a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing regulations and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;
- e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institution placement, and making appropriate recommendations to the board to take up steps in this matter;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequent modification of transactions of the Company with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company, wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) to review the functioning of the whistle blower mechanism;



- s) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in terms of reference of the Committee;
- u) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on date; and
- v) review compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Further, the Audit Committee mandatorily reviews the following information:

- a) management discussion and analysis of financial condition and results of operations;
- b) management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) internal audit reports relating to internal control weaknesses; and
- d) the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Committee.
- e) statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of Listing Regulations

Further, in terms of the provisions of Section 177 of the Act and applicable Rules made thereunder, the terms of reference for the Audit Committee also include:

- a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b) review and monitor the auditor’s independence and performance, and effectiveness of audit process;
- c) examination of the financial statement and the auditors’ report thereon;
- d) approval or any subsequent modification of transactions of the company with related parties;
- e) scrutiny of inter-corporate loans and investments;
- f) valuation of undertakings or assets of the company, wherever it is necessary;
- g) evaluation of internal financial controls and risk management systems;
- h) monitoring the end use of funds raised through public offers and related matters.

### Composition:

The Audit Committee comprises of three (3) non-executive Directors as on 31<sup>st</sup> March, 2024. All the Members of Audit Committee are Independent Directors. During the period under review, five (5) Audit Committee meetings were held on 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 25<sup>th</sup> August, 2023, 4<sup>th</sup> November, 2023 and 8<sup>th</sup> February, 2024.

Sr. No.	Name of the Members	Date-wise attendance of Audit Committee Meeting during the F.Y. 2023-24				
		29.05.2023	10.08.2023	25.08.2023	04.11.2023	08.02.2024
1.	Shri Shrikant N. Jhaveri (Chairman)	Yes	Yes	Yes	Yes	Yes
2.	Shri Ambalal C. Patel	Yes	Yes	Yes	Yes	Yes
3.	Smt. Shefali Patel	Yes	Yes	Yes	Yes	Yes

Yes – Attended, No – Not Attended, N.A. – Not Applicable

Committee invites such of the executives, particularly the head of the Finance Function, representatives of the Statutory Auditors and Internal Auditors and any such other executives, as it considers appropriate, to be present at the meetings. All Committee Members are financially literate and have accounting and financial management expertise.

The Company Secretary of the Company acts as the secretary of the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 23, 2022 to answer the queries of the shareholders.

## B. NOMINATION AND REMUNERATION COMMITTEE:

The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The composition of Committee is given in this Report. Terms of reference of the Committee inter alia include the following:

- i. identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- ii. shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- iii. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- iv. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- v. devising a policy on diversity of board of directors;
- vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- vii. recommend to the Board, all remuneration, in whatever form, payable to Senior Management

### Composition:

The Nomination and Remuneration Committee comprises of three Independent Non-Executive Directors as on March, 31, 2024, further all Members of Nomination and Remuneration Committee are Independent Directors.

During the period under review, Six (6) meetings of Nomination and Remuneration Committee were held on 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 25<sup>th</sup> August, 2023, 4<sup>th</sup> November, 2023, 8<sup>th</sup> February, 2024 and 24<sup>th</sup> February, 2024.

Sr. No.	Name of the Members	Date-wise attendance of Nomination and Remuneration Committee Meeting during the F.Y. 2023-24					
		29.05.2023	10.08.2023	25.08.2023	04.11.2023	08.02.2024	24.02.2024
1.	Shri Shrikant N. Jhaveri (Chairman)	Yes	Yes	Yes	Yes	Yes	Yes
2.	Shri Ambalal C. Patel	Yes	Yes	Yes	Yes	Yes	Yes
3.	Shri Harshad M. Shah (Resigned W.e.f. 31.03.2024)	Yes	Yes	Yes	Yes	Yes	Yes

Yes – Attended, No – Not Attended, N.A. – Not Applicable

The Company Secretary of the Company acts as the secretary of the Company.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on September 23, 2023 to answer the queries of the shareholders.

### Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

During the year, Board in concurrence with Nomination & Remuneration Committee has laid down the evaluation criteria for itself, Committees, Chairperson, Executive and Non- Executive Directors and Independent Directors. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board of Directors.

The following broad parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of Company;
- Interpersonal relationships with other directors and management.

The following broad parameters were considered to evaluate the performance of the Board and Committees:

- Size, structure and expertise of the Board/Committees;
- Review of strategies, risk assessment, robustness of policies and procedures by Board;
- Oversight of the financial reporting process & monitoring Company's internal control system;
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions;
- Effective discharge of functions and duties by Committee as per terms of reference;
- Appropriateness and timeliness of the updates given on regulatory developments;
- Board's engagement with senior management team.

## Remuneration of Directors

- a. Pecuniary Relationship or Transactions of the Non-Executive Directors:

There were no pecuniary relationships or transactions of the Non-Executive Directors *vi- a-vis* the Company.

- b. Criteria for Making Payment to Non-Executive Directors:

Role of Non-Executive - Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the Non-Executive - Independent Directors is recommended.

- c. Compensation/Fees Paid to Non-Executive Directors:

Non-Executive Independent Directors were paid sitting fees for attending the Board and Committee Meetings.

- d. Details of Remunerations:

Details of remuneration and sitting fees paid or provided to all the directors during the year ended 31<sup>st</sup> March, 2024 are as under:

Name of Director	Sitting Fees (₹)	Salaries & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Rajendra Shah	Nil	Nil	Nil	Nil
Shri Sujal Shah	Nil	432000	Nil	432000
Shri Babulal Singhal	Nil	672000	Nil	672000
Shri Jai Prakash Goyal	Nil	309112	Nil	309112
Shri Piyush Chandarana	Nil	951320	NIL	951320
Shri Ambalal Patel	90000	Nil	Nil	90000
Shri Tejpal Shah	40000	Nil	Nil	40000
Shri Harshad Shah	60000	Nil	Nil	60000
Shri Shrikant Jhaveri	110000	Nil	Nil	110000
Smt. Shefali Patel	110000	Nil	Nil	110000

Particulars of Directors, senior management or KPMs and changes there in during the year under Review:

During the year Under Review Shri Jai Prakash Goyal resigned from the post of Whole-time Director with effect from 13<sup>th</sup> May, 2023.

Shri Manish Daulani resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 12<sup>th</sup> August, 2023.

Shri Tejpal Shah Ceased as on 5<sup>th</sup> December, 2024 due to his death

Further, Shri Piyush Chandarana was appointed as Whole-time Director and Shri Vinay Kumar Mishra was appointed as Company Secretary and Compliance Officer of the Company with effect from 25<sup>th</sup> August, 2023.

Particulars of Senior Management and the changes there in since the close of the financial ended on 31<sup>st</sup> March, 2024:

Post 31<sup>st</sup> March, 2024, Shri Sujal Shah resigned from from the post of whole Time Director w.e.f. 09.04.2024. Shri Piyush Chandarana resigned from the post of Whole Time Director w.e.f. 25<sup>th</sup> May, 2024 and further Shri Vinay Kumar Mishra resigned from the post of Company Secretary and Compliance officer w.e.f 24<sup>th</sup> July, 2024.

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition and terms of reference of the Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The composition of Committee is given in this Report. The Committee looks into redressing the stakeholders' grievances / complaints.

#### Terms of Reference:

The functions of Stakeholders Relationship Committee, inter alia, include the following:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc.
- To review the measures taken for effective exercise of voting rights by shareholders.
- To review of adherence of service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

#### Composition:

The Stakeholders' Relationship Committee comprises of three independent Non-executive directors as on 31<sup>st</sup> March, 2024. All the Members of Stakeholder's Grievance Committee are Independent Directors. During the period under review, four (4) meetings of Nomination and Remuneration Committee were held on 29<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 4<sup>th</sup> November, 2023 and 8<sup>th</sup> February, 2024. The attendance of the Members of the Stakeholders Relationship Committee is as under:

Sr. No.	Name of the Members	Date-wise attendance of Stakeholders' Relationship Committee Meeting during the F.Y. 2023-24			
		29.05.2023	10.08.2023	04.11.2023	08.02.2024
1.	Shri Shrikant N. Jhaveri (Chairman)	Yes	Yes	Yes	Yes
2.	Shri Ambalal C. Patel	Yes	Yes	yes	yes
3.	Shri Harshad M. Shah	Yes	Yes	Yes	Yes

Yes – Attended, No – Not Attended, N.A. – Not Applicable

#### Name and designation of Compliance Officer

Shri Vinay Kumar Mishra, Company Secretary was appointed as Company Secretary & Compliance Officer of the Company as per regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discharge all duties under the listing regulations. However after Closure of Financial year 2023-24, he resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. July 24, 2024.

Now the company is looking for new Company Secretary and Compliance officer to fill casual vacancy due to Resignation of Company Secretary as on 24.07.2024.

The Company has a designated E-mail ID i.e. [sal.investor@salsteel.co.in](mailto:sal.investor@salsteel.co.in) for the redressal of complaints / grievances of the stakeholders which is also displayed on the website of the Company.

### Details of Shareholders Complaints

The details of shareholders complaints received and resolved till 31<sup>st</sup> March, 2023 are as under: No. of shareholders' complaints received during the year: One (01)

No. of complaints not resolved to the satisfaction of shareholders: Nil No. of pending Complaints: Nil

No. of complaints resolved during the year: One (01)

### D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The composition and terms of reference of the Corporate Social Responsibility (CSR) Committee are in compliance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder. The composition of Committee is given in this Report.

#### Terms of Reference:

The functions of CSR Committee, inter alia, include the following:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
2. To recommend the amount of expenditure to be incurred on the activities mentioned in CSR Policy;
3. To monitor CSR Policy of the Company from time to time;
4. To formulate and recommend to the Board, an annual action plan, which shall include the following:
  - a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Act;
  - b) The manner of execution of such projects or programmes as specified in Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
  - c) The modalities of utilization of funds and implementation schedules for the projects and programmes;
  - d) Monitoring and reporting mechanism for the projects and programmes;
  - e) Details of need and impact assessment, if any, for the projects undertaken by the Company;
5. Such other functions / roles as may be delegated or assigned to the Committee from time to time.

#### Composition:

The CSR Committee consists of three members comprising of one (01) Independent Non-executive Director, one (01) Whole-time Director and one (01) Non-Independent Non-Executive Director as on 31<sup>st</sup> March, 2023. During the period under review, one (01) CSR Committee meeting was held on 28<sup>th</sup> May, 2023. The attendance of the Members of the CSR Committee is as under:

Sr. No.	Name of the Members	Date of CSR Committee Meeting during the F.Y. 2023-24
		28.05.2022
1.	Shri Ambalal C. Patel (Chairman) - Independent Non-executive Director	Yes
2.	Shri Rajendra V. Shah - Member - Non-Independent Non-Executive Director	Yes
3.	Shri Sujal A. Shah - Member – Whole-time Director	Yes

Yes – Attended, No – Not Attended, N.A. – Not Applicable

The Company Secretary of the Company acts as the secretary of the Committee.

### 4. GENERAL BODY MEETING

#### A. Annual General Meeting :

Details of the AGM held during the last three years are as under:

Year	Date	Time	Venue	No. of special resolutions passed
2020-21	September, 28, 2021	01:00 P.M.	Video Conferencing/Other Audio Visual Means (VC/OAVM)	0
2021-22	September 23, 2022	01:00 P.M.	Video Conferencing/Other Audio Visual Means (VC/OAVM)	0
2022-23	September 29, 2023	01:00 P.M.	Video Conferencing/Other Audio Visual Means (VC/OAVM)	0

## B. Extraordinary General Meeting:

No extra-ordinary general meeting of the shareholders was held during the year. However, Post 31<sup>st</sup> march, 2024, Extra Ordinary General Meeting was held on 08<sup>th</sup> June, 2024 through Video Conferencing ("VC") and /or Other Audio Visual means ("OAVM") by notice dated 16.05.2024 to Approve Following Resolution;

**Date of Notice:** May 16, 2024

**Date of EOGM:** June 8, 2024

### Resolution Approved:

- To Create , offer, issue, and Allot upto 48, 00, 000 (Forty Eight Lakh) Convertible Equity Warrants ("Warrants") of Face Value of ₹10/- (Rupees Ten only) each at an issue price of ₹ 25/--(Rupees Twenty Five Only) including a premium of INR ₹15/- (Rupees Fifteen only) each Aggregating upto INR ₹ 12.00 Crores (Rupees Twelve Crores Only) to the Promoters on a private and preferential basis with an option to subscribe and convert each such warrant into One Equity Share of Face Value of INR ₹10/-(Rupees Ten Only) at a price of ₹25/- (Rupees Twenty Five Only) each including a premium of ₹ 15/- (Rupees Fifteen Only) each on preferential basis.
- Adoption of New Set of Memorandum of Association as per Companies Act, 2013
- Adoption of New Set of Article of Association as per Companies Act, 2013

## C. Postal Ballot:

During the year the Company sought approval from the shareholders through Postal Ballots as detailed below:

**Date of Notice:** February 27, 2024

**Date of declaration of results:** March 29, 2024

### Resolutions approved:

- Approval of Material Related Party transactions proposed to be entered into between the company and Shah Alloys Limited for 3(Three) Financial Years commencing from FY 2024-25 to FY 2026-27. (Resolution passed as **Ordinary Resolution**)
- Appointment of Mr. Mitesh Vasantbhai Jariwala (DIN: 09396683) as an Independent Director of the Company as **Special Resolution**.
- Appointment of Mr. Bipinbhai Amulakhbhai Gosalia (DIN: 10521360) as an Independent Director of the Company as **Special Resolution**.

The voting period for remote e-voting on the aforementioned resolutions was commenced on 9:00 am. (IST) on Thursday, February 29, 2024 and ended at 5:00 p.m. IST on Friday, March 29, 2024.

Mr. Kamlesh M. Shah, Practicing Company Secretary (ACS- 8356|CP 2072), Proprietor of M/s. Kamlesh M. Shah & Associates, Company Secretaries, was appointed as Scrutinizer who conducted the Postal Ballot, through the e-voting process, in a fair and transparent manner.

The procedure prescribed under Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and the guidelines prescribed by MCA Circulars were duly followed for conducting the postal ballot process for approving the above mentioned resolutions

### Details of e-voting of on the aforementioned resolutions:

S. No.	Resolution	% Votes in Favour	% Votes Against
1.	Approval of Material Related Party transactions proposed to be entered into between the company and Shah Alloys Limited for 3(Three) Financial Years commencing from FY 2024-25 to FY 2026-27	98.49	1.51
2.	Appointment of Mr. Mitesh Vasantbhai Jariwala (DIN: 09396683) as an Independent Director of the Company	99.81	0.19
3.	Appointment of Mr. Bipinbhai Amulakhbhai Gosalia (DIN: 10521360) as an Independent Director of the Company	99.81	0.19

The Resolution(s) were passed with requisite majority.

At present, there is no further proposal to pass any resolution through postal ballot.

## 5. MEANS OF COMMUNICATION

- a. All Quarterly, Half-yearly and Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- b. As per the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.
- c. The Company's website [www.salsteel.co.in](http://www.salsteel.co.in) contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

## 6. GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L29199GJ2003PLC043148.

### a) Annual General Meeting : Day: Friday

- Date** : September 27, 2023  
**Time** : 01:00 P.M.  
**Deemed Venue** : Block No. - 2221-2222, Shah Industrial Estate, Sola – Kalol Road, Ta: Kalol, Dist. Gandhinagar Santej - 382043 Gujarat.  
**Mode** : Virtual Annual General Meeting in accordance to the details mentioned in the notice forming part of the Annual Report for Financial Year 2023-24

### b) Financial Year:

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1<sup>st</sup> April each year and ends on 31<sup>st</sup> March of every succeeding year.

The Quarterly Results for the financial year 2024-25 will be taken on record by the Board of Directors as per the following schedule:

- |  |  |
|--|--|
| Quarter ending 30 <sup>th</sup> June, 2024                     | : on or before 14 <sup>th</sup> August, 2024   |
| Quarter and half year ending 30 <sup>th</sup> September, 2024  | : on or before 14 <sup>th</sup> November, 2024 |
| Quarter and nine months ending 31 <sup>st</sup> December, 2024 | : on or before 14 <sup>th</sup> February, 2025 |
| Quarter and Financial Year ending 31 <sup>st</sup> March, 2025 | : on or before 30 <sup>th</sup> May, 2025      |

### c) Dividend Payment Date : Not Applicable

### d) Listing on Stock Exchange : BSE Limited (BSE)

Phiroze Jeejee bhoy Towers Dalal Street, Mumbai – 400001 (**Scip Code: 532604**)

### : National Stock Exchange of India Limited (NSE)

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051 (**NSE Symbol: SALSTEEL**)

Company has paid listing fees in respect of financial year 2024-25 to the BSE Limited and National Stock Exchange of India Limited.

### e) Demat ISIN No. for NSDL and CDSL : INE658G01014

### f) Stock code : BSE Limited - **Scip Code: 532604** National Stock Exchange of India Limited - **Symbol: SALSTEEL**

**g) Share Price Data:**

Market price data and volume of the shares of the Company traded in BSE Limited and NSE during the Financial Year 2023- 24 are as under:

Month	Share price of SAL Steel Limited at Stock Exchanges						Performance of the closing price of the shares Company in comparison to broad-based indices such as BSE S&P SENSEX and NIFTY 50			
	BSE			NSE			SAL Steel Limited Closing Price (in ₹/ share)	BSE S&P Sensex Closing Price (in ₹/ share)	SAL Steel Limited Closing Price (in ₹/ share)	NSE NIFTY50 Closing Price (in ₹/share)
	Highest (in ₹/ share)	Lowest (in ₹/ share)	No. of shares traded (in Lacs)	Highest (in ₹/ share)	Lowest (in ₹/ share)	No. of shares traded (in Lacs)				
Apr-23	18.90	13.50	5.94	18.75	13.50	31.07	18.13	61112.44	18.10	18065.00
May-23	18.80	15.50	3.77	18.70	15.35	21.07	15.94	62622.24	15.90	18534.40
Jun-23	18.15	15.51	4.78	18.30	15.65	30.76	15.91	64718.56	15.95	19189.05
Jul-23	19.62	15.13	8.67	19.65	15.25	88.05	18.93	66527.67	19.00	19753.80
Aug-23	19.20	15.55	5.88	19.35	15.65	25.04	15.93	64831.41	15.85	19253.80
Sep-23	17.49	15.55	4.20	17.35	15.60	18.37	16.44	65828.41	16.45	19638.30
Oct-23	16.85	13.87	3.11	16.75	13.80	14.27	15.76	63874.93	15.90	19079.60
Nov-23	20.57	14.00	16.37	20.70	13.90	128.62	18.73	66988.44	18.70	20133.15
Dec-23	27.51	17.76	45.31	27.45	17.80	226.55	24.38	72240.26	24.30	21731.40
Jan-24	26.50	23.15	11.38	26.40	23.10	43.41	24.95	71752.11	25.10	21725.70
Feb-24	30.57	22.61	10.82	30.45	22.70	23.98	22.61	72500.30	22.70	21982.80
Mar-24	22.16	17.16	4.28	22.25	17.15	14.85	20.71	73651.35	20.65	22326.90

(The above information is compiled from the data available from the websites of BSE and NSE)

**h) Registrar to Issue and Share Transfer Agents:**

The members of the Company may address all its communication relating to transfer, transmission, Refund order, Dividend, National Electronic Clearing system (NECS) dematerialization etc. to Company's Share Transfer agent i.e. Kfin Technologies Private Limited at the below address and may also write to the Company.

Name : Kfin Technologies Limited  
Address : Karvy Selenium Tower B, Plot no. 31-32,  
Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.  
Phone : 91-040-67162222  
Fax : 91-040-23001153  
Toll Free no. : 1800-345-4001  
Email : [shyam.kumar@karvy.com](mailto:shyam.kumar@karvy.com)  
Website : [www.karvyfintech.com](http://www.karvyfintech.com)

**i) Share Transfer System:**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulations 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the stock exchanges.



**j) Shareholding pattern as on 31<sup>st</sup> March, 2024:**

Category	No. of Shares	%
Promoters	42959533	50.56
Resident Individuals	37048710	43.61
Bodies Corporates	2008080	2.36
HUF	2404882	2.83
Non Resident Indians	385160	0.45
Non Resident Indian Non Repatriable	160335	0.19
<b>Total</b>	<b>84966700</b>	<b>100.00</b>

**k) Distribution of shareholding as on 31<sup>st</sup> March, 2024:**

Shareholding (Range)	No. of Cases	% of Cases	Amount (in ₹)	% Amount
1-5000	61259	87.38	6,46,27,920	7.61
5001- 10000	4,689	6.69	4,07,31,020	4.79
10001- 20000	2039	2.91	3,21,71,030	3.79
20001- 30000	687	0.98	1,79,27,950	2.11
30001- 40000	258	0.37	94,57,680	1.11
40001- 50000	354	0.50	1,69,95,700	2.00
50001- 100000	426	0.61	3,33,85,510	3.93
100001& Above	398	0.57	63,43,70,190	74.66
<b>Total</b>	<b>70110</b>	<b>100.00</b>	<b>849667000.00</b>	<b>100.00</b>

**l) Dematerialization of Shares and Liquidity:**

On 31<sup>st</sup> March, 2024, nearly 99.80% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding is also fully dematerialized.

**m) Plant Location:**

The Company's plant is located at:  
Survey No. 245, Village Bharapar, Tal. Gandhidham, Dist. Kutch, Gujarat

**n) Registered & Administrative Offices:**

<b>Registered Office</b>	<b>Administrative Office:</b>
5/1, Shreeji House, Behind M. J. Library, Ashram Road Ahmedabad – 380006, Gujarat	SAL Steel Limited, Corporate House, Sola-Kalol Road, Village Santej, Dist: Gandhinagar, Gujarat – 381721

**o) Address for Investor Correspondence:**

In case any problem or query shareholders can contact at:

**Name** : Shri Vinay Kumar Mishra, Company Secretary and Compliance officer  
**Address** : S.A.L. Steel Limited,  
Shah Alloys Corporate House, Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721  
**Phone** : 91-01764-661100/11  
**Fax** : 91-01764-661110  
**Email** : [cs@salsteel.co.in](mailto:cs@salsteel.co.in)

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

**Name** : KFIN Technologies Limited  
**Address** : Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana India - 500 032  
**Phone** : (91) 910 009 4099  
**Toll Free no.** : 1800 309 4001  
**Email** : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) & [shyam.kumar@karvy.com](mailto:shyam.kumar@karvy.com)  
**Website** : <https://www.kfintech.com>

## 7. OTHER DISCLOSURES:

### i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large have been entered.

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business and on an arm's length basis and did not attract provisions of Section 188 of Companies Act, 2013. However, prior approvals from the Audit Committee are obtained for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board.

Details of related party transactions are also presented in the notes to financial statements.

The Company has formulated the policy on materiality of related party transactions and on dealing with related party transactions and it is available at the website of the Company at: <http://www.salsteel.co.in>.

### ii. Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the period under review, there is no non-compliance or penalty imposed by any authority on any matter related to capital markets.

### iii. Establishment of vigil mechanism and affirmation that no personnel has been denied access to the audit committee:

The Company has implemented a Vigil Mechanism Policy, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safe guards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the financial year none of the personnel has been denied access to the audit committee.

### iv. Corporate Governance Compliance Certificate

Compliance Certificate from M/s Kiran Kumar Patel, Practicing Company Secretaries, as regarding compliance of conditions of corporate governance is annexed with corporate governance report.

### v. Key Board qualifications, expertise and attributes

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board along with the name of Directors who possesses such skill/ experience/ competencies:

Skill/ experience/ competencies	Name of the Directors						
	Shri Rajendra V. Shah	Shri Babulal M. Singhal	Shri Ambalal C. Patel	Smt. Shefali M. Patel	Shri Shrikant N. Jhaveri	Shri Mitesh V. Jariwala	Shri Bipinbhai A Gosalia
Leadership	✓	✓	✓	✓	✓	✓	✓
General Management and Business Operations	✓	✓	✓	✓	✓	✓	✓
Senior Management Expertise	✓	✓	✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓	✓	✓	✓
Public Policy/ Governmental Regulations	✓	✓	✓	✓	✓	✓	✓
Accounting/Finance/ Legal Skills	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓

Skill/ experience/ competencies	Name of the Directors						
	Shri Rajendra V. Shah	Shri Babulal M. Singhal	Shri Ambalal C. Patel	Smt. Shefali M. Patel	Shri Shrikant N. Jhaveri	Shri Mitesh V. Jariwala	Shri Bipinbhai A Gosalia
Business Development/ Sales/ Marketing	✓	✓	✓	✓	✓	✓	✓
International Business	✓	✓	✓	✓	✓	✓	✓
Strategy/ M&A/ Restructuring/ Forging Joint Ventures/ Partnerships and Turning around Organisations	✓	✓	✓	✓	✓	✓	✓
Technical / Professional skills and specialized knowledge in relation to Company's business	✓	✓	✓	✓	✓	✓	✓

**vi. Fee paid to Statutory Auditors**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are provided in the Standalone Financial Statements forming part of this Annual Report.

**vii. Disclosure of Accounting Treatment:**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

**viii. CEO/CFO Certification:**

The Chief Financial Officer (CFO) of the Company give an annual certificate on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The CFO also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

For and on behalf of the Board of Directors of  
For **SAL Steel Limited**

Sd/-

**Rajendra V. Shah**  
Chairman  
DIN: 00020904

**Place :** Santej, Gujarat  
**Date :** 9<sup>th</sup> August, 2024

**Registered Office:**

5/1 Shreeji House,  
B/h M.J. Library, Ashram Road, Ahmedabad-380 006  
**CIN:** L29199GJ2003PLC043148

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**DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL UNDER REGULATION 17(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015**

I, Babulal M. Singhal, Whole Time Director & CFO of the Company, hereby certify that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. Company has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company.

We further confirm that during the year, none of the Directors or any of the Key Managerial Persons has done any trading in shares of the Company in the secondary market. Further, the company had not made any allotment of shares to any Directors or any of the Key Managerial Personnel during the year.

The above Report was adopted by the Board at their meeting held on 09<sup>th</sup> August, 2024.

For **SAL Steel Limited**

Sd/-

**Babulal M. Singhal**

Whole-time Director & CFO

DIN: 01484213

**Place :** Santej, Gujarat

**Date :** 9<sup>th</sup> August, 2024

**Registered Office:**

5/1 Shreeji House,

B/h M.J. Library, Ashram Road, Ahmedabad-380 006

**CIN:** L29199GJ2003PLC043148

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**S.A.L. Steel Limited**

We have examined the compliance of conditions of Corporate Governance by S.A.L Steel Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2024 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2023 to 31<sup>st</sup> March, 2024.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

We 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.

For, **K. K. Patel & Associates**

Sd/-

**Kiran Kumar Patel**

Company Secretary

C.P.No.6352

**UDIN:** F006384F000942913

**Place :** Gandhinagar

**Date :** 9<sup>th</sup> August, 2024

## 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 of  
**S.A.L. Steel Limited**  
Ahmedabad-380006, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of S A L STEEL LIMITED bearing CIN: L29199GJ2003PLC043148 and having its registered office at 5/1 Shreeji House 5<sup>th</sup> Floor B/h M J Library Ashram Road Ahmedabad 380 006, Gujarat State, India (hereinafter referred to as 'the Company'), produced before us 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 And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of position of Directors as on 31<sup>st</sup> March 2024 we state as under:

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. **All the Independent Directors are Registered at [www.independentdirectorsdatabank.in](http://www.independentdirectorsdatabank.in) Portal.**

Sr. No.	Name of Director	DIN Number	Original Date of Appointment	Disqualified Under Section 164 of Companies Act, 2013	Deactivation of DIN Due to Non-Filing of DIR-3 KYC	Debarred by SEBI or such other Action by SEBI
1	Rajendrakumar Shah Promoter Non-Executive Chairman	00020904	06/11/2003	N.A.	N.A.	N.A.
2	Babulal Madanlal Singhal Non-Promoter Executive Whole Time Director And CFO	01484213	16/05/2006	N.A.	N.A.	N.A.
3	Piyush Chandarana, Non-Promoter Executive Whole Time Director	08675864	25/08/2023	N.A.	N.A.	N.A.
4	*Ambalal Chhitabhai Patel Non-Promoter Non-Executive Independent Director	00037870	05/08/2004	N.A.	N.A.	N.A.
5	*Shrikant Narottamdas Jhaveri Non-Promoter Non-Executive Independent Director	02833725	11/05/2011	N.A.	N.A.	N.A.
6	Shefali Manojbhai Patel Non-Promoter Non-Executive Independent Woman Director	07235872	13/07/2015	N.A.	N.A.	N.A.
7	Mitesh Vasantbhai Jariwala Non-Promoter Non-Executive Independent Director	09396683	24/02/2024	N.A.	N.A.	N.A.
8	** Bipinbhai Amulakhbhai Gosalia, Non-Promoter Non-Executive Independent Director	10521360	24/02/2024	N.A.	N.A.	N.A.

- The two terms of consecutive 5 years as Independent Director of Shri Ambalal Chhitabhai Patel and Shrikant Narottamdas Jhaveri is expiring on the date of Annual General Meeting to be held for the year ended 31/03/2024.

*\*\*Bipinbhai Amulakbhai Gosalia shall pass the qualifying examination for Independent Director within 12 months from the date of their Registration with [www.independentdirectorsdatabank.in](http://www.independentdirectorsdatabank.in)*

Ensuring the eligibility of 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.

For, **Kamlesh M. Shah & Co.,**  
Practicing Company Secretary

**Place :** Ahmedabad  
**Date :** May 21, 2024  
**UDIN :** A008356F000416016

**Kamlesh M. Shah**  
(Proprietor)  
(ACS: 8356, COP: 2072)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The objective of this report is to convey the Management's perspective on the external environment and steel 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 2023-24. 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.

Source: World Economic Outlook as per International Monetary Fund & Indian Economy Forecast as per Indian Brand Equity Foundation.

### INSIGHTS ON GLOBAL ECONOMY

The global economy in 2023 and 2024 displayed several noteworthy trends and key figures. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.

**Economic Growth:** In 2024, the global economy rebounded from the pandemic, with a growth rate estimated at around 3.2%, according to the International Monetary Fund (IMF). While this marked a significant improvement from the recession of 2020, growth rates varied widely among countries, with advanced economies recovering faster than emerging markets. In 2025, global growth was expected to moderate to around 3.3%, reflecting Global recovery is steady but slow and differ by region.

**Inflation:** Inflation became a major concern during this period. Many countries experienced higher inflation rates due to a combination of supply chain disruptions, rising commodity prices, and increased demand. In the United States, for example, inflation reached levels not seen in over a decade, with the Consumer Price Index (CPI) exceeding 5% at times in 2024. Central banks responded by adjusting monetary policy to combat inflation, which had implications for borrowing costs and financial markets.

**Labor Market:** Labor markets underwent significant changes. The pandemic accelerated trends in remote work and automation, altering the nature of work in various industries. Some countries faced labor shortages in sectors like healthcare, hospitality, and manufacturing, leading to wage increases and labor disputes. The global gig economy continued to expand, raising questions about worker protections and employment stability.

**Green Economy:** Sustainability and environmental concerns gained prominence. Investment in renewable energy, electric vehicles, and green technologies surged, with governments and businesses committing to carbon neutrality goals. The renewable energy sector saw substantial growth, and sustainability considerations began to influence investment decisions and consumer behavior.

**Trade and Geopolitical Tensions:** Geopolitical tensions, particularly between the United States and China, continued to shape global trade dynamics. Supply chain disruptions and trade disputes affected the flow of goods and added complexity to global supply networks. The World Trade Organization (WTO) aimed to address these challenges through trade negotiations.

**Technology and Innovation:** Technological advancements remained a driving force behind economic growth. Artificial intelligence, blockchain, and biotechnology continued to revolutionize industries. The technology sector attracted substantial investment, and digitalization efforts accelerated across sectors, from healthcare to finance.

**Debt Levels:** Public and private debt levels reached record highs in many countries due to pandemic-related stimulus measures and economic support. Managing this debt and its long-term implications for fiscal sustainability became a key concern for policymakers.

In summary, 2024 was characterized by a mixed economic picture, with recovery from the pandemic coexisting with inflationary pressures, supply chain disruptions, and ongoing geopolitical tensions. Sustainability and technological innovation emerged as critical drivers of economic growth and transformation, while the global economy faced the challenge of navigating uncertainty and adaptability in an increasingly interconnected world.

In 2024, disinflationary monetary policy is expected to bite, with global output growing by just 3.2 percent. (Source – Indian Monetary Fund Global Outlook)



In FY 2022-23, India was the world's second-largest producer of crude steel, with an output of 125.32 million metric tons. In FY23, this was an 11.8% increase from the 2021-22. India's crude steel production has grown at a compound annual growth rate (CAGR) of 4.2% since 2017-18.

## INDIAN ECONOMIC OVERVIEW

This year began with the anticipation that runaway inflation, aggressive policy rate hikes, and high commodity prices might topple a few major economies into recession in 2024. We are halfway past 2024 and, while the world is still in the woods, the probability of a recession this year has trimmed. Labor markets in several advanced countries remain tight, while the largest economy, the United

States, is seeing a rebound in consumer confidence and spending. Risk spreads are declining on both sides of the Atlantic after the recent banking crisis in the United States.

India, meanwhile, enjoys a Goldilocks moment as it sees its economic activity gaining momentum amid continuing global uncertainties. The last quarter's GDP data was pleasantly surprising but not completely unexpected. The GDP growth in the fourth quarter has pushed up the full-year GDP growth of FY2023-24 to 7.2%, 200 basis points (bps) higher than the earlier estimate. The recently released Annual Economic Review for the month of May 2023 highlighted that the postpandemic quarterly trajectories of consumption and investment have crossed pre-pandemic levels.<sup>1</sup>

Evidently, economists and analysts are bullish about the Indian economy. Our growth forecasts for FY2024-25 remain similar to our April forecast, although higher-than-expected growth in FY2023-24 has raised our base for comparison. That said, we have raised our lower limit of the range given the buoyancy of the economy. We expect India to grow between 6% and 6.3% in FY2024-25 and have a stronger outlook thereafter. In fact, if global uncertainties recede, we expect growth to surpass 7% over the next two years.

The first-quarter data points to further building on the positive momentum in the economic data. We continue to remain optimistic about the economy this year and expect India to grow between 6.5% and 7.00% during FY2024-25 in our baseline scenario, followed by 6.6% and 7.2% over the next two years as the global economy turns buoyant (figure 6). However, if downside risks weigh on the economic fundamentals and outlook, we may see a substantial economic slowdown (*Source – Deloitte Insights*)

## Market Size

In FY24, the production of crude steel and finished steel stood at 143.6 (million tonnes) MT and 138.5 (Million tonnes) MT respectively.

In FY23, the production of crude steel and finished steel stood at 125.32 (million tonnes) MT and 121.29 (million tonnes) MT, respectively. The consumption of finished steel stood at 120 (million tonnes) MT in FY23. In FY24, the consumption of finished steel stood at 136 (million tonnes) MT. India's domestic finished steel consumption increased by 13% in 2023-24, driven by increased demand from the automotive and infrastructure sectors.

In FY24, exports and imports of finished steel stood at 7.5 (million Tonnes) MT and 8.03(million tonnes) MT, respectively. In FY23, India exported 11.14 MT of finished steel.

The annual production of steel is anticipated to exceed 300 million tonnes by 2029-30. By 2029-30, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the year 2030. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

(Source: <https://www.ibef.org/industry/steel>)

## Government Initiatives

Some of the other recent Government initiatives in this sector are as follows:

- Under the Union Budget 2024-25, the government allocated 325.66 crore (US \$ 39.23 million) to the Ministry of Steel.
- The Government has launched the Production Linked Incentive (PLI) Scheme for specialty steel to promote the manufacturing of 'Specialty Steel' within the country and reduce import by attracting capital investments. The anticipated additional investment under PLI Scheme for specialty steel is ₹ 29,500 crores and an additional capacity creation of around 25 million tonnes (MT) for specialty steel.

- In January 2021, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India–Japan Steel Dialogue.
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intends to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating the setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of ₹ 200 crore (US\$ 30 million).
- The Government of India raised import duty on most steel items twice, each time by 2.5% and imposed measures including anti-dumping and safeguard duties on iron and steel items.

### **Road ahead**

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31. As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

### **Opportunities**

There is a significant growth being witnessed in Construction sector as the government is spending on Infrastructure projects and the sector is considered to maintain the same level of momentum and demand with a gradual rise in Investment resulting in creating market for the Steel Industries in the Country.

Further the Capital goods market has also improved with rising manufacturing capacity utilization and infrastructure investment which has boosted demand for Construction and earthmoving equipment.

Also Consumer durable growth is driven by segments like Air-conditioner, Refrigerators and furniture supported by lowering of GST and hike in Import Duty and indirectly giving a good demand to steel industries

As per the National steel policy crafted during FY 2018-19, the crude steel production target for India is set at 300 MT by 2030. Share of sponge iron in steel making will be 80MT, which will create huge opportunity for sponge iron industry.

### **Threats**

Presently there are no visible threats in the short and medium term in the sponge iron industry. However availability of key raw materials and environmental concerns might pose significant challenge in the future.

### **Outlook**

The domestic consumption is considered to move at a same momentum as is evident in the demand pull visible in infrastructure, automobile and other sectors. Government is also driving the economy by investing in housing, roads, and ports and in other infrastructure projects.

Favourable domestic demand and remunerative prices in both domestic and international markets are likely to bolster steel production further in the years to come, resulting into more demand for sponge iron.

### **RISK AND CONCERNS**

The process of Risk Management in the company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The company has identified and categorized risks in the areas of Operations, Finance, Marketing, Regulatory Compliances and Corporate matter.

The volatility in price of sponge iron, excess supply of sponge iron in the market will have an effect of squeezing margins and poses risk to the profitability. New customers, new market and cost reduction have been identified as the mitigation measures.

Also, the enforcement of recent Tariff policy guidelines on power by Government of India that requires the State Electricity Regulatory Commission to ascertain sale price of power based on cost of generation will have an impact on the revenue from export of power.

Fluctuation of import coal price, increase in USD-INR exchange rate, may lead to increase in cost of production. This is mitigated by continuous evaluation of international coal price vis-à-vis Indian coal price and accordingly the action plan for procurement has been formulated.

## **INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company's internal control systems are adequate considering size and nature of operations of the Company, meets with the regulatory and statutory requirements, assuring recording of all transactions and also ensuring reporting the financial information in a timely and reliable manner. The Company has defined risk management framework and it is implemented as an integral part of business processes. The Company has installed Enterprise Resource Planning System for accounting purposes. To counter the adverse fluctuation in the sponge iron prices, the Company vigorously keeps watch on its price trends and accordingly plans the purchases to ensure efficient operations and better profitability. The Company applies effective mitigation techniques to manage potential risks. Risk management system includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies. Further, the Board of Directors of the Company has adopted a Risk Management Policy and it has identified various risks and also has mitigation plans for each risk identified. Its comprehensive risk management system ensures that all risks are timely identified, assessed and mitigated in accordance with the Risk Management Policy. The Audit Committee of the Board of Directors of the Company periodically reviews the internal control system and also internal audit reports issued by the Internal Auditors of the Company.

The Company has formulated a robust whistleblower policy for receiving and redressing complaints of employees. No employee has been denied access to the Audit Committee or its Chairman during the year under review.

## **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on 31<sup>st</sup> March, 2024 was 320. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. Further, the Company has adopted various safety measures to ensure safe working environment for the employees of the Company. During the Financial Year, the industrial relations between the employees and management were calm and composed.

Further, the Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has formed Internal Complaints Committee and also formulated a policy. No complaint was reported during the Financial Year 2023-24.

## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Production of sponge iron during the year was 129696 MT as compared to 112663 MT in the previous year. Production of Ferro Chrome was 14797 MT as compared to 8932 MT in the previous year.

Accordingly, sales for sponge iron during the year was 128115 MT as compared to 113365 MT in the previous year. Sales of Ferro Chrome during the year were 14759 MT as compared to 8916 MT in the previous year.

Company has a power generation plant of 40 MW. During the year 55875 KWH of power was sold by way of Captive Consumption as against 36600 KWH in the previous year.

During the year under review Total Revenue from operation has increased from ₹ 510.13 Crores to ₹ 578.23 Crores as compared to previous year's turnover. Company has registered a net profit of ₹ 0.64 Crores in comparison to net profit of ₹ 5.52 Crores during previous year.

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	Variation	Reasons
Current Ratio	Current Assets	Current Liabilities	1.42%	1.50%	-5%	Due to Substantial increase in the Current Liabilities
Debt Equity Ratio	Borrowings	Share Holder's Equity	2.97%	3.01%	-1%	Not Applicable
Debt Service Coverage Ratio	Earnings available for debt Service	Debt Service	N.A.	N.A.	N.A.	Not Applicable
Return on Equity (ROE):	Net Profit after Taxes	Average Shareholder's Equity	1.12%	8.94%	-87%	Due to Substantial decrease in the Net Profit
Inventory Turnover Ratio	Cost of Material Consumed + Changes in WIP/ FG	Average Inventory	8.26%	6.94%	19%	Not Applicable
Trade receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables	8.41%	7.71%	9%	Not Applicable
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	12.83%	10.26%	25%	Due to decrease in average Trade Payable
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	14.33%	11.16%	28%	Due to increase in revenue and decrease in Net Working Capital
Net Profit Ratio	Net Profit	Revenue from Operations	0.08%	0.72%	-89%	Due to substantial decrease in the Net Profit
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	8.01%	8.01%	0%	Not Applicable

### CAUTIONARY NOTE

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The details and information used in this report have been taken from publicly available sources. Any discrepancies in the details or information are incidental and unintentional. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of date. The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
**S.A.L. STEEL LIMITED**

### REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

#### Qualified Opinion

We have audited the accompanying standalone IND AS financial statements of **S.A.L. STEEL LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its Profits, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- 1. For the Year ended on 31<sup>st</sup> March, 2024, the company has not made provision for Electricity Duty in the books of accounts had the company made the provision for Electricity Duty for the year ended on 31<sup>st</sup> March, 2024, the Profit for the year would have been lower by ₹ 296.91 lakhs and current liabilities would have been higher to that extent. (Refer to Note no. 41 of Standalone IND AS Financial Statements).**
- 2. For the year ended on 31<sup>st</sup> March, 2024, the company has not made Impairment of entire Capital Work in Progress. Had the Company made Impairment of entire Capital Work in Progress for the year ended on 31<sup>st</sup> March, 2024, the Profit for the year would have been lower by ₹ 100.94 lakhs and Capital Work in Progress would have been lower to that extent. (Refer to Note No. 39 of Standalone IND AS Financial Statements).**

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

#### Key Audit Matters

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

## Key Audit Matters:

Description of Key audit Matter	Our response and results
<p><b>REVENUE</b> (Refer note 63) to the standalone Ind AS financial statements)</p> <p>Revenue of the company comprises of sale of Sponge Iron, Ferro alloys as well as sale of power. The company sells its products directly to the end use customers.</p> <p>Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.</p>	<p>Our key audit procedures to assess the recognition of revenue on sale of goods included the following:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives;</li> <li>We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition;</li> <li>We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions.</li> </ul> <p>We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;</p>
<p><b>Litigations and claims</b> (Refer note 31A) to the standalone Ind AS financial statements)</p> <p>The cases are pending with multiple tax authorities like Service tax, VAT, Excise. &amp; customs and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims; a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> <li>Discussed disputed litigation matters with the company's management.</li> <li>Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability.</li> <li>Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation &amp; disclosure of the subject matter in the standalone Ind AS financial statements.</p>

## Emphasis of Matter

- The Company has not complied with the disclosure requirements of segment reporting as per Indian Accounting Standard - 108 'Operating Segments'. However, there is no impact on the financial results due to the said non-disclosure. (Refer Note No.32 of notes forming part of Standalone Ind AS financial statement)**
- During the Year under review, the company has written back creditors amounting to ₹ 124.61 lakhs, in view of the management the same is not payable, accordingly they have been written back and credited to statement of Profit and loss account as Other Income. (Refer to Note No.42 of Standalone IND AS Financial Statements).**

3. **We draw attention to the matter that company has not provided details w.r.t MSME Vendors as prescribed under MSME Act, 2006 which states as specified Companies( Furnishing of information about payment to micro and small enterprise suppliers) Order 2019.However, in the absence of the above mentioned details we are unable to comment on the non-recognition of any provisioning to be made on account of interest on balance outstanding to MSME vendors if any ,required at the balance sheet date 31.03.2024. (Refer to Note No. 40 of Standalone IND AS Financial Statements).**
4. **The balance confirmation from the suppliers, and customers have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, advance from customers and trade payables have been taken as per the books of accounts submitted by the company and are subject to confirmation from the respective parties. (Refer to Note No. 37 of Standalone IND AS Financial Statements).**
5. **Refer Note No 46 of notes forming part of Standalone Financial Statements, regarding non availing of Insurance on the Fixed assets of the Company.**

Our opinion is not modified on the above matter.

### **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 standalone IND AS financial statements and our auditor's report thereon.

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

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

### **Responsibilities of Management and Those Charged with Governance for the Standalone IND AS Financial Statements**

The statement has been prepared on the basis of Standalone Ind AS annual financial statement.

The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone IND AS Financial Statements**

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act as amended, in our Opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and except for the matters described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Except for the possible effects of the matters described in the Basis for Qualified opinion paragraph above and for the matter stated in paragraph 3(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, 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 standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.



- d) Except for the possible effects of the matter described in Basis of Qualified opinion paragraph, in our opinion, the aforesaid standalone IND AS Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e) The matters described in the paragraphs on Basis for Qualified Opinion and Emphasis of Matters, in our opinion it may have an adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls with reference to standalone IND AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone Financial Statements.
- h) The Modification relating to the maintenance of accounts & other matters connected therewith, are stated in Basis of Qualified Opinion paragraph and also stated in paragraph 3(b) above on reporting under section 143(3)(6) of the act, and also stated at paragraph 3(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us
- (i) The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS Financial Statements (Refer Note No. 31-A to the Standalone Ind AS Financial Statements.)
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The company has not declared and paid any Interim dividend nor has proposed any final dividend during the previous year, and hence the question of Compliance and applicability of Section 123 of the Companies Act does not arise.
- (vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same operated throughout the year for all relevant transaction recorded in the software. Further, during the course of our audit, we did not come across any instances of audit trail feature being tampered.

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However, in respect of Books of Accounts maintained at factory, the accounting software does not have the feature of edit log under the year under review and the same was not operated throughout the year for all relevant transactions recorded in the software.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For, **Parikh & Majmudar**  
Chartered Accountants  
FRN - 107525W

**[CA SATWIK DURKAL]**  
PARTNER  
Membership No. 107628  
UDIN: 24107628BJZWRT2943

**Place :** Ahmedabad

**Date :** 30-05-2024

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S.A.L. STEEL LIMITED of even date)**

With reference to the Annexure A, referred to in the Independent Auditors Report to the members of the Company on the Standalone IND AS financial statements for the year ended on 31<sup>st</sup> March 2024, we report following:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the property, plant and equipment are physically verified in a phased manner by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than the self constructed property are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in aggregate for each class on physical verification of inventory as compared to the book records.
- (b) The Company has not been sanctioned working capital in excess of the limit of ₹ 5 crores during any point of time of the year in aggregate from a bank & financial institutions on the basis of security of the current assets. Hence, reporting under clause 3(ii)(b) of the order is not applicable.
- iii. During the year, the Company has not provided any guarantee or security to companies, firms, limited liability partnerships and any other parties. During the year, the Company has granted unsecured loans to other parties.
  - a) During the year, the Company has provided loans to other parties in respect of which:
    - (i) During the year, aggregate amount of loan provided to other parties (Employees) is ₹1.75 Lakhs during the year and balance outstanding at the balance sheet date is ₹1.83 Lakhs.
  - b) In our opinion and according to the information and explanations given to us, the terms and conditions of loans and advances provided are, prima facie, not prejudicial to the Company's interest.
  - c) In our opinion and according to the information and explanations given to us, in respect of loans, the schedule of repayment of principal and payment of interest has generally not been stipulated. However, the repayments or receipts are regular during the year.
  - d) In our opinion and according to the information and explanations given to us, no amount is overdue in respect of loans outstanding during the year under review.
  - e) No amount granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- f) The Company has granted loans without specifying the terms or period of repayment during the year, which are as under:

(₹ in Lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans at the year end	1.83	Nil	Nil
Percentage thereof of total loans granted at the year end	100%	Nil	Nil

- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investment or given guarantee or security during the year under review. Accordingly, clause 3(iv) of the order is not applicable.
- v. The Company has not accepted any deposits from the public during the year under review. Accordingly, clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made and 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. (a) The company does not have liability in respect of Service Tax; Duty of excise, Sales tax and value added tax during the year since effective 1<sup>st</sup> July 2017, these statutory dues has been subsumed in to Goods & Service Tax.

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, ESIC, income-tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except Goods & Service Tax which have not been regularly deposited with appropriate authorities.

According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, duty of customs, cess and other statutory dues were outstanding as at 31<sup>st</sup> March, 2024 for a period of more than six months from the date of becoming payable **except dues for (1) deferred sales tax liability amounting to ₹ 135.78 lakhs (2) dues of value added tax (VAT) to the tune of ₹ 1607.21 lakhs.**

- (b) According to the information and explanations given to us, there are no material dues of Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Customs, Income Tax, Sales tax, VAT, Service Tax and Duty of Excise have not been deposited by the company on account of Dispute:

Sr.no	Name of the statute	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in ₹ lakhs.)
1	Custom Act, 1962	Custom Duty	2011-12	Appellate Tribunal Ahmedabad	50.00
2	Custom Act, 1962	Custom Duty	2012-13	Appellate Tribunal Ahmedabad	449.85
3	Central Excise Act, 1994	Central Excise Duty	2008-09 to 2010-2011	Supreme Court of India	590.14
4	Central Excise Act, 1994	Central Excise Duty	2005-06 to Sept - 2014	Central Excise Commissioner	626.28
5	Central Service Tax Act, 1994	Service Tax	2016-17 & 2017-18	Deputy commissioner Audit Rajkot	150.26
6	Gujarat Value Added Tax Act 2003	Value Added Tax	2015-16	Jt. Value Added Tax Commissioner (Appeal) Rajkot	478.81
7	Gujarat Value Added Tax Act 2003	Value Added Tax	2016-17	Jt. Value Added Tax Commissioner (Appeal) Rajkot	818.95
8	Gujarat Value Added Tax Act 2003	Value Added Tax	2017-18	Jt. Value Added Tax Commissioner (Appeal) Rajkot	238.74

Sr.no	Name of the statute	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in ₹ lakhs.)
9	Gujarat Value Added Tax Act 2003	Value Added Tax	2012-13	Jt. Value Added Tax Commissioner (Appeal) Rajkot	29.47
10	Gujarat Value Added Tax Act 2003	Value Added Tax	2007-08 & 2008-09	Jt. Value Added Tax Commissioner (Appeal) Rajkot	41.24
11	Goods and Services Tax	GST	2017-18	Jt. Commissioner (Appeal) GST	503.36
12	Income tax Act	Income tax	2017-18	Commissioner of Income tax (Appeals) -12 Ahmedabad	828.97 (*)
13	Income tax Act	Income tax	2018-19	Commissioner of Income tax (Appeals) -12 Ahmedabad	1027.54 (*)
14	Income tax Act	Income tax	2019-20	Commissioner of Income tax (Appeals) -12 Ahmedabad	474.63 (*)
15	Income tax Act	Income tax	2020-21	Commissioner of Income tax (Appeals) -12 Ahmedabad	338.15 (*)
16	Income tax Act	Income tax	2021-22	Commissioner of Income tax (Appeals) -12 Ahmedabad	424.12 (*)

(\*) Assessee company is in process of filing the appeal as on 31-03-2024, however said appeal has been filed up to the date of signing the audit report.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, clause 3(ix)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short- term basis of ₹ 397.78 lakhs have, prima facie, been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) 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.

- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not required.
- 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 Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of the entity.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 3(xvi) (a) and 3(xvi) (b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India. Accordingly, 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii. After considering the effect of our audit qualifications reported under paragraph 1 & 2 of the Basis for Qualified Opinion section of our audit report, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us by the management, the Corporate Social Responsibility (CSR) is not applicable to the company. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable.

For, **Parikh & Majmudar**  
Chartered Accountants  
FRN - 107525W

**[CA SATWIK DURKAL]**  
PARTNER

Membership No. 107628  
UDIN: 24107628BJZWRT2943

**Place :** Ahmedabad  
**Date :** 30-05-2024

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**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 3(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of S.A.L. STEEL LIMITED of even date)**

**Report on the Internal Financial Controls with reference to Standalone IND AS Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls with reference to Standalone IND AS Financial Statements of **S.A.L. STEEL LIMITED** (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone IND AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Standalone IND AS Financial Statements issued by the Institute of Chartered Accountants of India (the “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 Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone IND AS financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to standalone IND AS financial statements (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone IND AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone IND AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone IND AS financial statements included obtaining an understanding of internal financial controls with reference to standalone IND AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to standalone IND AS financial statements.

**Meaning of Internal Financial Controls with reference to Standalone IND AS Financial Statement**

A company’s internal financial control with reference to standalone financial statements 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 with reference to standalone IND AS financial statements 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 standalone IND AS financial statements.

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**Inherent Limitations of Internal Financial Controls with reference to Standalone IND AS Financial Statement**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to standalone IND AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone IND AS financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone IND AS financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone IND AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to standalone IND AS financial statements issued by the ICAI.

**Place :** Ahmedabad

**Date :** 30-05-2024

For, **Parikh & Majmudar**

Chartered Accountants

FRN - 107525W

**[CA SATWIK DURKAL]**

PARTNER

Membership No. 107628

UDIN: 24107628BJZWRT2943



## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2024

(Amount ₹ in Lakhs)

S. No.	Particulars	Note No.	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>ASSETS</b>				
<b>1)</b>	<b>Non-current assets</b>			
	a) Property, Plant and Equipment	2	14248.12	13628.40
	b) Capital work-in-progress		100.94	319.38
	c) Other Intangible assets		5.77	5.77
	d) Financial Assets			
	(i) Trade receivables	3	47.44	47.44
	(ii) Loans		-	-
	(iii) Other Financial Assets	3A	319.94	255.68
	e) Deferred tax assets (net)		-	-
	f) Other non-current assets	4	17.77	22.09
	<b>TOTAL NON-CURRENT ASSETS</b>		<b>14739.97</b>	<b>14278.76</b>
<b>2)</b>	<b>Current assets</b>			
	a) Inventories	5	4950.51	5867.36
	b) Financial Assets			
	(i) Trade receivables	6	6625.02	6992.49
	(ii) Cash and cash equivalents	7	20.68	21.88
	(iii) Bank balances other than (iii) above	8	72.91	68.42
	(iv) Loans	9	4.64	1.97
	c) Current Tax Assets ( Net )	10	44.89	-
	d) Other current assets	11	1930.67	444.58
	<b>TOTAL CURRENT ASSETS</b>		<b>13649.31</b>	<b>13396.70</b>
	<b>TOTAL ASSETS</b>		<b>28,389.30</b>	<b>27,675.46</b>
<b>EQUITY &amp; LIABILITIES :</b>				
<b>EQUITY:</b>				
	a) Equity Share capital	12	8496.67	8496.67
	b) Other Equity	13	-4293.84	-4343.57
	<b>TOTAL EQUITY</b>		<b>4202.83</b>	<b>4153.10</b>
<b>LIABILITIES :</b>				
<b>1)</b>	<b>Non-Current Liabilities</b>			
	a) Financial Liabilities			
	(i) Borrowings	14	12500.00	12500.00
	(ii) Trade payables	15		
	Total outstanding dues of micro enterprises and small enterprises			
	Total outstanding dues of creditors other than micro enterprises and small enterprises		102.49	127.49
	(iii) Other Financial Liabilities		-	-
	b) Provisions	16	101.29	87.24
	c) Deferred tax liabilities (Net)	17	1857.53	1854.19
	d) Other non-current liabilities			
	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14561.31</b>	<b>14568.92</b>
<b>2)</b>	<b>Current liabilities</b>			
	(i) Borrowings	18	-	-
	(ii) Trade payables	19		
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		3933.05	2896.60
	Other financial liabilities	20	318.47	356.73
	Other current liabilities	21	5253.43	5085.76
	Provisions	22	120.21	465.97
	(vi) Current Tax liability ( Net )	22A	-	148.39
	<b>TOTAL CURRENT LIABILITIES</b>		<b>9,625.16</b>	<b>8,953.44</b>
	<b>TOTAL LIABILITIES</b>		<b>24,186.47</b>	<b>23,522.36</b>
	<b>Total Equity and Liabilities</b>		<b>28,389.30</b>	<b>27,675.46</b>

The accompanying Notes 1 to 64 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For **Parikh & Majmudar**  
Chartered Accountants  
(Firm Regn.No.107525W)  
**UDIN:** 24107628BJZWRZ6265

**CA Satwik Durkal**  
Partner  
Membership No. : 107628

**Place :** Ahmedabad  
**Date :** 30<sup>th</sup> May, 2024

For and on behalf of the Board of Directors,  
**SAL Steel Limited**

**[Rajendra V Shah]**  
Chairman  
DIN: 0020904

**[Ambalal C.Patel]**  
Independent Director  
DIN: 0037870

**[B L Singhal]**  
Whole Time Director cum C F O  
DIN: 01484213

**[Vinay Kumar Mishra]**  
Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(Amount ₹ in Lakhs)

S. No.	Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
I	Revenue from Operations	23	57664.15	49572.94
II	Other Income	24	158.47	1439.64
III	<b>Total Income (I +II)</b>		<b>57822.62</b>	<b>51012.58</b>
IV	Expenses:			
	Cost of Materials Consumed	25	44280.67	37591.00
	Purchases of Stock-in-Trade	26	-	-
	Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	27	387.53	-344.88
	Employee Benefits Expense	28	1405.90	1872.58
	Finance Costs	29	1272.91	781.77
	Depreciation and Amortization Expense		962.27	953.67
	Other Expenses	30	9449.09	9606.24
	<b>Total Expenses (IV)</b>		<b>57758.38</b>	<b>50460.38</b>
V	<b>Profit before Exceptional Item ( III- IV )</b>		<b>64.24</b>	<b>552.20</b>
	Exceptional Items		-	-
VI	<b>Profit before tax ( III- IV )</b>		<b>64.24</b>	<b>552.20</b>
VI	Tax expense :			
	Current Tax		14.97	181.25
	Short /( Excess ) Provision of earlier years		-0.12	47.57
	Deferred Tax		2.41	-31.24
	<b>Total Tax Expenses (VII)</b>		<b>17.27</b>	<b>197.58</b>
VII	<b>Profit for the period ( V -VI)</b>		<b>46.96</b>	<b>354.62</b>
VIII	<b>Other Comprehensive Income</b>			
A	(i) Items that will not be reclassified to profit or loss		-3.69	-19.72
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.93	4.96
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Total Other Comprehensive Income (VIII)</b>		<b>-2.76</b>	<b>-14.76</b>
IX	<b>Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>49.73</b>	<b>369.38</b>
X	<b>Earnings per equity share (Face Value of ₹ 10/- each)</b>		<b>0.06</b>	<b>0.42</b>
	Basic & Diluted	31		

The accompanying Notes 1 to 64 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For **Parikh & Majmudar**  
Chartered Accountants  
(Firm Regn.No.107525W)  
**UDIN:** 24107628BJZWRZ6265

**CA Satwik Durkal**  
Partner  
Membership No. : 107628

**Place :** Ahmedabad  
**Date :** 30<sup>th</sup> May, 2024

For and on behalf of the Board of Directors,  
**SAL Steel Limited**

**[Rajendra V Shah]**  
Chairman  
DIN: 0020904

**[Ambalal C.Patel]**  
Independent Director  
DIN: 0037870

**[B L Singhal]**  
Whole Time Director cum C F O  
DIN: 01484213

**[Vinay Kumar Mishra]**  
Company Secretary

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

(Amount ₹ in Lakhs)

S. No.	Particulars	2023-24		2022-23	
		Amount		Amount	
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	NET PROFIT/(LOSS) BEFORE TAX		64.24		552.20
	<b>Add/(Less):</b>				
	Depreciation and amortization expense	962.27		953.67	
	Financial Cost	1272.91		781.77	
	Interest Income	-17.64	2,217.54	-6.35	1,729.08
			2,281.78		2,281.29
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>				
	Adjustments for:				
	Trade and Other Receivables (Including Loans and other non current assets)	-1226.11		1591.97	
	Inventories	916.85		-1000.25	
	Trade Payables and other liabilities(Including Provisions and other financial liabilities)	664.44	355.19	-1808.61	-1216.89
	<b>CASH GENERATED FROM OPERATIONS</b>		2,636.97		1,064.39
	Less: Income Tax Paid		-14.86		-228.82
	<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>		2,622.11		835.57
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>2,622.11</b>		<b>835.57</b>
<b>(B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
	Interest Income	17.64		6.35	
	Purchase of Fixed Assets / CWIP	-1363.55		-218.44	
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>-1345.91</b>		<b>-212.09</b>
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
	Proceeds from Borrowings	-		84.58	
	Financial Expenses.	-1272.91		-781.77	
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>		<b>-1272.91</b>		<b>-697.19</b>
	<b>NET INCREASE / DECREASE IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>		3.29		-73.70
	Cash & Cash Equivalent in the Beginning of the year		90.30		164.00
	Cash & Cash Equivalent in the Closing of the year		93.59		90.30

<b>Cash and Bank Balances:</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Balances with banks (in Current Accounts)	18.45	19.16
Balances with banks (in Guarantee Money)	72.91	68.42
Cash on Hand	2.22	2.72
<b>Total</b>	<b>93.59</b>	<b>90.30</b>

**Note:**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

As per our report of even date attached.

For **Parikh & Majmudar**  
Chartered Accountants  
(Firm Regn.No.107525W)  
**UDIN:** 24107628BJZWRZ6265

**CA Satwik Durkal**  
Partner  
Membership No. : 107628

**Place :** Ahmedabad  
**Date :** 30<sup>th</sup> May, 2024

For and on behalf of the Board of Directors,  
**SAL Steel Limited**

**[Rajendra V Shah]**  
Chairman  
DIN: 0020904

**[Ambalal C.Patel]**  
Independent Director  
DIN: 0037870

**[B L Singhal]**  
Whole Time Director cum C F O  
DIN: 01484213

**[Vinay Kumar Mishra]**  
Company Secretary

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

### A. EQUITY SHARE CAPITAL

(Amount ₹ in Lakhs)

Particulars	Amount
<b>Balance as at 1<sup>st</sup> April 2023</b>	<b>8,496.67</b>
Changes during the year	-
<b>Balance as at 31<sup>st</sup> March, 2024</b>	<b>8,496.67</b>

### Other Equity as at 1<sup>st</sup> April 2022

(Amount ₹ in Lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instruments through OCI	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(8,431.32)	(35.06)	(4,712.95)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	-	(14.76)	(14.76)
Profit for the year	-	-	-	354.62	-	354.62
<b>Balance at the end of the reporting period</b>	<b>5.11</b>	<b>2,878.20</b>	<b>800.00</b>	<b>(8,076.70)</b>	<b>(49.82)</b>	<b>(4,343.57)</b>

### Other Equity as at 1<sup>st</sup> April 2023

(Amount ₹ in Lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Retained Earnings	Equity Instruments through OCI	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(8,076.70)	(49.82)	(4,343.57)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	-	(2.76)	(2.76)
Profit for the year	-	-	-	46.96	-	46.96
<b>Balance at the end of the reporting period</b>	<b>5.11</b>	<b>2,878.20</b>	<b>800.00</b>	<b>(8,029.73)</b>	<b>(52.58)</b>	<b>(4,293.84)</b>

The accompanying Notes 1 to 64 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For **Parikh & Majmudar**  
Chartered Accountants  
(Firm Regn.No.107525W)  
**UDIN:** 24107628BJZWRZ6265

**CA Satwik Durkal**  
Partner  
Membership No. : 107628

**Place :** Ahmedabad  
**Date :** 30<sup>th</sup> May, 2024

For and on behalf of the Board of Directors,  
**SAL Steel Limited**

**[Rajendra V Shah]**  
Chairman  
DIN: 0020904

**[Ambalal C.Patel]**  
Independent Director  
DIN: 0037870

**[B L Singhal]**  
Whole Time Director cum C F O  
DIN: 01484213

**[Vinay Kumar Mishra]**  
Company Secretary

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024

### MATERIAL ACCOUNTING POLICIES DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 CORPORATE INFORMATION

The Company SAL Steel Limited (CIN L29199GJ2003PLC043148) is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing Sponge Iron, Ferro Alloys and power and the products manufactured by the company are sold in the domestic market as well as international market. Because of the Captive power generation, company has advantage of low power cost per unit of manufacturing. Company is generating 40 MW Power from waste Heat recovery Boiler & Fluidized Bed Combustion boiler with economic price. Power generated is used for captive consumption and surplus power is sold.

#### 1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENT

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 – 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees in lakhs ('INR ₹ in lakhs). Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

#### 1.3 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### RECENT ACCOUNTING PRONOUNCEMENT:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There are no such notifications which have been applicable from April 1<sup>st</sup>, 2024.

#### MATERIAL ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

#### 1.4 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortized on as per the Straight line method on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013 . The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.
- vii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
  - Buildings - 30 to 60 years
  - Plant and Equipments - 15 to 25 years
  - Furniture and Fixtures - 10 years
  - Vehicles - 8 to 10 years
  - Office Equipments - 5 years
  - Computers – 3 years
- viii) At each balance sheet date, the Company reviews the carrying amount of property, plant and equipment to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.
- ix) Cost is reduced by accumulated depreciation and impairment and amount representing assets discarded or held for disposal.

### 1.5 INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortized on straight-line method as follows :
  - Computer Software - 5 years
- iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### 1.6 Revenue Recognition

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss excludes, returns, trade discounts, cash discounts, Goods and Service tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.

**1.7 EMPLOYEE BENEFITS:**

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third-party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

**1.8 Valuation of Inventories**

- i) The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts, Packing Material, Power & Fuel and Folders are valued at cost; and of those in transits and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realizable value.
- v) Stock of Finished goods is valued at lower of cost or net realizable value.
- vi) Stock-in-trade is valued at lower of cost or net realizable value.

**1.9 Cash flow statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/Cheques in hand and short-term investments with an original maturity of three months or less.

**1.10 FINANCIAL ASSETS:**

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.
- ii) Trade receivables represent receivables for goods sold by the Company up to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

**1.11 FINANCIAL LIABILITIES:**

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the Company up to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**1.12 FAIR VALUE MEASUREMENT:**

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
- v) The assets and liabilities which has been measured at fair value is Derivatives

**1.13 FOREIGN CURRENCY TRANSACTIONS:**

- i) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- ii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

**1.14 BORROWING COSTS:**

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

**1.15 ACCOUNTING FOR TAXES ON INCOME:**

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.



- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences; the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

#### **1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities are disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b) when no reliable estimate is possible;(c) unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted but disclosed by way of Notes on Accounts where the inflow of economic benefits is probable.

#### **1.17 CURRENT AND NON-CURRENT CLASSIFICATION:**

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and 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.
- iv) A liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

#### **1.18 RELATED PARTY TRANSACTIONS:**

- i) A related party is a person or entity that is related to the reporting entity preparing its financial statements
  - (a) A person or a close member of that person's family is related to reporting entity if that person;
    - (i) Has control or joint control of the reporting entity;
    - (ii) Has significant influence over the reporting entity; or
    - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
  - (b) An entity is related to a reporting entity if any of the following conditions applies;
    - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)
  - (i) Has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
  - ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
 

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
  - iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

### 1.19 EARNINGS PER SHARE:

- i) Basic earnings per share are 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.
- ii) 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.

### 1.20 LEASE

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

### 1.21 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

**(i) Determination of Functional Currency**

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

**(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

**b) Assumptions and Estimation Uncertainties**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

**(i) Useful lives of Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**(ii) Contingent Liabilities**

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

**(iii) Evaluation of Indicators for Impairment of Property, Plant and Equipment**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Group.

**(iv) Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2024

### NOTE 2: PROPERTY, PLANT & EQUIPMENTS

#### TANGIBLE ASSETS

(Amount ₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Machineries	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
<b>Cost of Assets</b>								
<b>As at 1<sup>st</sup> April 2022</b>	730.56	4630.61	29961.19	61.96	896.26	45.45	103.19	36429.22
Addition	-	-	-	-	-	-	-	-
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	730.56	4630.61	29961.19	61.96	896.26	45.45	103.19	36429.22
Addition	-	-	1,581.99	-	-	-	-	1,581.99
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	730.56	4630.61	31543.17	61.96	896.26	45.45	103.19	38011.20
<b>Depreciation</b>								
<b>As at 1<sup>st</sup> April 2022</b>	-	2,296.69	18,531.44	58.86	818.67	43.49	98.00	21847.16
Charge for the year	-	143.45	805.67	-	4.55	-	-	953.67
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	-	2440.15	19337.11	58.86	823.22	43.49	98.00	22800.83
Charge for the year	-	143.45	814.30	-	4.52	-	-	962.27
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	0.00	2583.60	20151.41	58.86	827.74	43.49	98.00	23763.10
<b>Net Block</b>								
<b>As at 31<sup>st</sup> March 2023</b>	730.56	2190.46	10624.08	3.10	73.04	1.97	5.19	13628.39
<b>As at 31<sup>st</sup> March 2024</b>	730.56	2047.01	11391.76	3.10	68.52	1.97	5.19	14248.11

#### INTANGIBLE ASSETS

(Amount ₹ in Lakhs)

PARTICULARS	SOFTWARE	TOTAL
<b>Cost of Assets</b>		
<b>As at 1<sup>st</sup> April 2022</b>	115.30	115.30
Addition	-	-
Disposal/Adjustments	-	-
Other adjustment	-	-
<b>As at 31<sup>st</sup> March 2023</b>	115.30	115.30
Addition	-	-
Disposal/Adjustments	-	-
Other adjustment	-	-
<b>As at 31<sup>st</sup> March 2024</b>	115.30	115.30
<b>Depreciation</b>		
<b>As at 1<sup>st</sup> April 2022</b>	109.53	109.53
Charge for the year	-	-
Disposal/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2023</b>	109.53	109.53
Charge for the year	-	-
Disposal/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2024</b>	109.53	109.53
<b>Net Block</b>		
<b>As at 31<sup>st</sup> March 2023</b>	5.77	5.77
<b>As at 31<sup>st</sup> March 2024</b>	5.77	5.77

**CAPITAL WORK IN PROGRESS**

(Amount ₹ in Lakhs)

<b>Opening balance as at 01-4-2023</b>	<b>319.38</b>
Add: Addition During the year	-
Less: Deduction During the year	218.44
<b>Closing Balance as at 31-03-2024</b>	<b>100.94</b>
(Building and Plant & Machinery)	
<b>Total</b>	<b>100.94</b>

**CAPITAL WORK IN PROGRESS (CWIP)**

(Amount ₹ in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As At 31 March 2024</b>					
Project in Progress	-			100.94	100.94
projects temporarily suspended	-	-	-	-	-
<b>As At 31 March 2023</b>					
Project in Progress	218.44	-	-	100.94	319.38
projects temporarily suspended	-	-	-	-	-

**NOTE NO : 3 TRADE RECEIVABLES**

(Amount ₹ in Lakhs)

PARTICULARS	31.03.2024	31.03.2023
<b>Non-current Trade Receivable</b>		
Unsecured, considered good	47.44	331.23
	<b>47.44</b>	<b>331.23</b>

(Amount ₹ in Lakhs)

Particulars FY 2023-24	Not Due	Outstanding for Following Periods from Due Date of Payment					Total
		Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisuted Trade Receivables - Considered Good	-		-	-	-	47.44	47.44
(ii) Undisuted Trade Receivables - Which have significant increase in credit risk	-		-	-	-	-	-
(iii) Undisuted Trade Receivables -credit imparied	-		-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-		-	-	-	-	-
(v) Disputed Trade Receivables Which have significant increase in credit risk	-		-	-	-	-	-
(vi) Disputed Trade Receivables credit imparied	-		-	-	-	-	-
<b>Sub Total</b>	-		-	-	-	<b>47.44</b>	<b>47.44</b>
<b>GRAND TOTAL</b>	-		-	-	-	<b>47.44</b>	<b>47.44</b>

(Amount ₹ in Lakhs)

Particulars FY 2022-23	Not Due	Outstanding for Following Periods from Due Date of Payment					Total
		Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisuted Trade Receivables - Considered Good	-	-	-	-	-	47.44	47.44
(ii) Undisuted Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisuted Trade Receivables -credit imparied	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit imparied	-	-	-	-	-	-	-
<b>Sub Total</b>	-	-	-	-	-	<b>47.44</b>	<b>47.44</b>
<b>GRAND TOTAL</b>	-	-	-	-	-	<b>47.44</b>	<b>47.44</b>

**NOTE NO : 3A OTHER FINANCIAL ASSETS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Security Deposit</b>		
Unsecured,considered good	319.94	255.68
	<b>319.94</b>	<b>255.68</b>

**NOTE NO : 4 OTHER NON-CURRENT ASSETS :**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Other Loan and advances</b>		
Unsecured,considered good	17.77	22.09
	<b>17.77</b>	<b>22.09</b>

**NOTE NO : 5 INVENTORIES : (AS TAKEN, VALUED & CERTIFIED BY MANAGEMENT)**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
(a) Raw Materials	918.99	2227.00
(b) Work in progress	89.97	152.97
(c) Finished goods	982.90	1480.53
(d) Stores and spares	2753.09	1974.41
(e) By Product	205.55	32.45
	<b>4950.51</b>	<b>5867.36</b>

**NOTE NO : 6 TRADE RECEIVABLES**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good	6625.02	6992.49
	<b>6625.02</b>	<b>6992.49</b>

Trade Receivables includes ₹ 6562.57 lakhs in CY and ₹ 6964.94 Lakhs in PY from Associated concerns (i.e. Shah Alloys Ltd) in which director of a Company is interested.

(Amount ₹ in Lakhs)

Particulars FY 2023-24	Not Due	Outstanding for Following Periods from Due Date of Payment					Total
		Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisuted Trade Receivables - Considered Good	60.19	6,564.82	-	-	-	-	6,625.02
(ii) Undisuted Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisuted Trade Receivables -credit imparied	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit imparied	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>60.19</b>	<b>6,564.82</b>	-	-	-	-	<b>6,625.02</b>
Less : Allowance for doubtful trade receivable -Billed	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>60.19</b>	<b>6,564.82</b>	-	-	-	-	<b>6,625.02</b>

(Amount ₹ in Lakhs)

Particulars FY 2021-22	Not Due	Outstanding for Following Periods from Due Date of Payment					Total
		Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisuted Trade Receivables - Considered Good	26.15	6,966.28	0.06	-	-	-	6,992.49
(ii) Undisuted Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisuted Trade Receivables -credit imparied	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables credit imparied	-	-	-	-	-	-	-
<b>Sub Total</b>	<b>26.15</b>	<b>6,966.28</b>	<b>0.06</b>	-	-	-	<b>6,992.49</b>
Less : Allowance for doubtful trade receivable -Billed	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>26.15</b>	<b>6,966.28</b>	<b>0.06</b>	-	-	-	<b>6,992.49</b>

**NOTE NO : 7 CASH AND CASH EQUIVALENTS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
(a) Balances with Scheduled Banks		
In current Account	18.45	19.16
(b) Cash on hand	2.22	2.72
	<b>20.68</b>	<b>21.88</b>

**NOTE NO : 8 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Balances with banks (in Guarantee Money)	72.91	68.42
	<b>72.91</b>	<b>68.42</b>

**NOTE NO : 9 LOANS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Loans to Employees	4.64	1.97
	<b>4.64</b>	<b>1.97</b>

**NOTE NO : 10 CURRENT TAX ASSETS (NET)**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Current Tax Assets ( Net )	44.89	-
	<b>44.89</b>	<b>0.00</b>

**NOTE NO : 11 OTHER CURRENT ASSETS :**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Balance with government authorities	28.66	5.68
Prepaid Expenses	186.44	-
Advance to Suppliers	1715.56	438.90
	<b>1930.67</b>	<b>444.58</b>

**NOTE NO : 12 SHARE CAPITAL**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Authorised :</b>		
14,00,00,000 Equity Shares of ₹ 10/- each (Previous year : 14,00,00,000 Equity Shares of ₹ 10/- each)	14000.00	14000.00
	<b>14000.00</b>	<b>14000.00</b>
<b>Issued &amp; Subscribed and Paid up :</b>		
8,49,66,700 Equity Shares of ₹ 10/- each fully paid up (Previous year : 8,49,66,700 Equity Shares of ₹ 10/- each fully paid up)	8496.67	8496.67
	<b>8496.67</b>	<b>8496.67</b>

The Authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of ₹ 10/- each as follows:



**a) Reconciliation of number of shares :**

Equity Shares	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	Number of shares	Amount ₹ in lakhs	Number of shares	Amount ₹ in lakhs
Shares outstanding at the beginning of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67

**b) Terms/rights, preferences and restrictions attached to securities:**
**Equity shares:**

The company has one class of equity share having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Details of Shareholders holding more than 5% in the Company:**

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Shah Alloys Limited	3,02,56,989	35.61	3,02,56,989	35.61
SAL Care Pvt Limited	1,27,02,900	14.95	1,27,02,900	14.95
<b>Total</b>		<b>50.56</b>		<b>50.56</b>

(\*) out of 30,256,989 shares held by Shah Alloys Ltd, 195 Lakhs shares are pledged to consortium banks.

**d) Details of shares held by promoters**

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Shah Alloys Limited	3,02,56,989	35.61	3,02,56,989	35.61
SAL Care Pvt Limited	1,27,02,900	14.95	1,27,02,900	14.95
<b>Total</b>		<b>50.56</b>		<b>50.56</b>

(Note : There is no change in the % holding of the Promoters as compared to Previous year.)

**NOTE NO : 13 OTHER EQUITY**

(Amount ₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
<b>Securities Premium Account</b>				
Opening Balance	2878.20		2878.20	
Add : Addition during the year	-		-	
	<b>2878.20</b>	<b>2878.20</b>	<b>2878.20</b>	<b>2878.20</b>
<b>Capital Reserve</b>				
Opening Balance	800.00		800.00	
Add : Addition during the year	-		-	
	<b>800.00</b>	<b>800.00</b>	<b>800.00</b>	<b>800.00</b>
<b>Capital Redemption Reserve</b>				
(For Redemption of Preference Share Capital)				
General Reserve				
Opening Balance	5.11		5.11	
Add : Addition during the year	-	5.11	-	5.11
	<b>5.11</b>		<b>5.11</b>	

Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
<b>Retained Earnings</b>				
Balance Brought Forward From Previous Year	-8076.70		-8431.32	
Add: Profit for the year	46.96		354.62	
	<b>-8029.73</b>	<b>-8029.73</b>	<b>-8076.70</b>	<b>-8076.70</b>
<b>Other Comprehensive Income/(Expenses)</b>				
Re-measurement of the defined benefit plans				
Opening Balance	-49.82		-35.06	
Add: Addition during the year	-2.76		-14.76	
Closing Balance		-52.58		-49.82
		<b>-4293.84</b>		<b>-4343.57</b>

### Purpose of Reserve

**Security Premium :** Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Capital Redemption Reserve :** As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013

**Retained Earnings :** Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

**Capital Reserve :** The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

### NOTE NO : 14 BORROWINGS

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Inter Corporate Deposit	12500.00	12500.00
	<b>12500.00</b>	<b>12500.00</b>

### Secured Borrowings:

- (a) Nature of security and terms of repayment for secured borrowings:

The above deposit is secured by way of first charge and mortgage of immovable property situated at Surevy no 316 (old block / survey no 245/ paikie ) together factory building thereon situated at Bharpur , Taluka Gandhidham District -Kutch .Further Secured by way of movable assets excluding current assets but including movable plant and machinery , machinery spares, tools and accessories , furniture and fixtures, vehicles and all other movable assets excluding current assets located on land situated at survey no 316 (old block / survey 245/paikie ) both present and future.

- b) Further secured by way of personal guarantees of Shri Rajendrabhai V. Shah

### Repayment Schedule

(Amount ₹ in Lakhs)

Particulars	Payable in FY 2024-25	Payable in FY 2025-26
AIA Engineering Limited	-	12500.00
<b>TOTAL</b>	<b>-</b>	<b>12500.00</b>

### NOTE NO : 15 TRADE PAYABLE

(Amount ₹ in Lakhs)

PARTICULARS	As at 31.03.2024	As at 31.03.2023
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	102.49	127.49
	<b>102.49</b>	<b>127.49</b>

(Amount ₹ in Lakhs)

Particulars F Y 2022-23	Not Due	Outstanding for Following Periods from Due Date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) OTHERS	-	-	-	-	102.49	102.49
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>GRAND TOTAL</b>	-	-	-	-	<b>102.49</b>	<b>102.49</b>

(Amount ₹ in Lakhs)

Particulars F Y 2021-22	Not Due	Outstanding for Following Periods from Due Date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) OTHERS	-	-	-	33.08	94.41	127.49
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>GRAND TOTAL</b>	-	-	-	<b>33.08</b>	<b>94.41</b>	<b>127.49</b>

**NOTE NO : 16 LONG TERM PROVISIONS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity	101.29	87.24
	<b>101.29</b>	<b>87.24</b>

**NOTE NO : 17 DEFERRED TAX LIABILITIES (NET)**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Deferred Tax Liabilities</b>		
Timing Difference of Depreciation	1906.78	1925.36
<b>Deferred Tax Assets</b>		
Disallowance of Employee Benefits	49.25	71.17
<b>Net Deferred Tax Liabilities</b>	<b>1857.53</b>	<b>1854.19</b>

**NOTE NO : 18 BORROWINGS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Inter Corporate Deposit	-	-
	-	-

Borrowings includes ₹ Nil in CY and ₹ 4.44 lakhs in PY from Associated concerns (i.e. SAL Care Pvt. Ltd.) in which director of a Company is interested.

**NOTE NO : 19 TRADE PAYABLE**

(Amount ₹ in Lakhs)

PARTICULARS	As at 31.03.2024	As at 31.03.2023
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	3933.05	2896.60
	<b>3933.05</b>	<b>2896.60</b>

(Amount ₹ in Lakhs)

Particulars F Y 2023-24	Not Due	Outstanding for Following Periods from Due Date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) OTHERS	1,549.58	2,383.47	-	-	-	3,933.05
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>GRAND TOTAL</b>	-	-	-	-	-	<b>3,933.05</b>

(Amount ₹ in Lakhs)

Particulars F Y 2022-23	Not Due	Outstanding for Following Periods from Due Date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) OTHERS	1,549.58	1,347.02	-	-	-	2,896.60
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>GRAND TOTAL</b>	<b>1,549.58</b>	<b>1,347.02</b>	-	-	-	<b>2,896.60</b>

**NOTE NO. :19A TRADE PAYABLES - TOTAL OUTSTANDING DUES OF MICRO & SMALL ENTERPRISES\***

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

\*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

**NOTE NO : 20 OTHER FINANCIAL LIABILITIES**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred sales tax Liability	135.78	135.78
Salary & Wages Payable	182.69	220.95
	<b>318.47</b>	<b>356.73</b>

**NOTE NO : 21 OTHER CURRENT LIABILITES**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Advance from customers	2749.51	2305.52
Duties and taxes	2353.90	2227.82
Credit balance in current account with schedule bank (Book overdraft)	150.02	552.42
	<b>5253.43</b>	<b>5085.76</b>

**NOTE NO : 22 PROVISIONS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Employee benefits.	60.73	164.97
Provision for Gratuity	33.68	30.58
Provision for expenses	25.80	270.43
	<b>120.21</b>	<b>465.97</b>

**NOTE NO : 22A CURRENT TAX LIABILITY**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Taxation (Net of TDS and TCS)	-	148.39
	-	<b>148.39</b>

**NOTE NO : 23 REVENUE FROM OPERATIONS**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>A. Sale of Products</b>		
Direct Export Turnover	763.46	801.31
Domestic Turnover	56888.44	48764.42
<b>Gross Turnover</b>	<b>57651.90</b>	<b>49565.73</b>
<b>B. Other Revenue from operations</b>	12.24	7.21
<b>Total Revenue from operations</b>	<b>57664.15</b>	<b>49572.94</b>

**OTHER OPERATING REVENUE AS UNDER**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
Duty Drawback & Export Incentives	12.24	7.21
<b>Total</b>	<b>12.24</b>	<b>7.21</b>

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>Reconciliation of revenue from operations with the contracted price:</b>		
<b>Contracted price</b>	58,280.80	49858.59
Adjustment :		
Discounts / Rate difference etc.	5.10	(154.38)
Sales Returns	(633.99)	(138.48)
<b>Sales of Products.</b>	<b>57,651.91</b>	<b>49565.73</b>
Other Operating Revenue ( Including sales of services )	12.24	7.21
<b>Revenue From Operations</b>	<b>57,664.15</b>	<b>49572.94</b>
<b>Revenue disaggregation by Geography</b>		
India	56,888.44	48764.42
Outside India		
UAE	392.65	801.31
Bangladesh	370.81	-
Others	-	-
<b>TOTAL</b>	<b>57,651.91</b>	<b>49565.73</b>

**NOTE NO : 24 OTHER INCOME**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>Other Income :</b>		
Other Interest ( TDS ₹ 1.06 Lakhs ) ( PY ₹ 0.60 Lakhs)	17.64	6.35
Rent Income ( TDS ₹ 0.03 Lakhs (PY ₹ 0.03 Lakhs )	1.56	1.20
SGST Refund Income	-	1137.47
Foreign exchange fluctuation Gain (Net)	14.68	19.72
Sundry balances written back(Net)	124.61	274.90
	<b>158.47</b>	<b>1439.64</b>

**NOTE NO : 25 COST OF MATERIALS CONSUMED:**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>Cost of Materials Consumed:</b>		
Raw Material Consumed:		
Opening Stock of Raw Material	2141.02	1888.25
Add : Purchases	42972.32	37843.77
	<b>45113.34</b>	<b>39732.02</b>
Less : Closing Stock of Raw Material	832.67	2141.02
	<b>44280.67</b>	<b>37591.00</b>

**NOTE NO : 26 PURCHASE OF STOCK-IN-TRADE**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
Purchase of Stock-in-Trade	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**NOTE NO : 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>Opening Stock</b>		
Finished Goods	1512.98	1134.52
Stock-in-Progress	152.97	186.55
	<b>1665.95</b>	<b>1321.07</b>
<b>Less : Closing Stock</b>		
Finished Goods	1188.45	1512.98
Stock-in-Progress	89.97	152.97
	<b>1278.42</b>	<b>1665.95</b>
<b>Increase/(Decrease) in Stock of Finished Goods &amp; Stock-in-Progress</b>	<b>387.53</b>	<b>-344.88</b>

**NOTE NO : 28 EMPLOYEE BENEFITS EXPENSES**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Salary & Bonus	1257.66	1741.65
Contribution to Provident Fund etc.	65.41	65.38
Staff welfare expenses	82.83	65.55
	<b>1405.90</b>	<b>1872.58</b>

**NOTE NO : 29 FINANCE COSTS**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Interest on Income Tax	-	15.96
Interest on ICD	1253.42	640.41
Interest to Others	19.49	125.40
	<b>1272.91</b>	<b>781.77</b>

**NOTE NO : 30 OTHER EXPENSES**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024		Year Ended on 31.03.2023	
<b>Stores &amp; Spares Consumed :</b>				
Opening Stock	1974.41		1585.45	
Add : Purchases	2301.06		2959.08	
	<b>4275.46</b>		<b>4544.53</b>	
Less: Closing Stock	2753.09	1522.37	1974.41	2570.12
Power & fuel (Including cost of power generation)		6722.18		5483.78
<b>Repairs &amp; Maintenance :</b>				
Machinery	40.83		33.65	
Building	0.83		-	
Others	10.99	52.65	4.47	38.12
Labour charges		488.15		899.44
Freight outward		223.79		125.54
Audit Fees*		8.00		8.00
Sales Commision		11.64		7.79
General/ Miscellaneous Expenses		238.06		282.84
Insurance Expenses		8.67		20.90
Legal & Professional Charges		140.40		108.54
CSR expenses		-		33.43
Rent,Rate and Taxes		33.19		27.73
		<b>9449.09</b>		<b>9606.24</b>

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
As auditors - Statutory audit	8.00	8.00
For other Services	-	-
	<b>8.00</b>	<b>8.00</b>

**NOTE NO : 31 EARNINGS PER SHARE**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year	849.67	849.67
Number of Equity Shares allotted during the year		
Number of Equity Shares at the end of the year	849.67	849.67
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders) In ₹	46.96	354.62
<b>Basic and Diluted Earnings Per Share ₹</b>	<b>0.06</b>	<b>0.42</b>

**NOTE NO : 31-A CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):**

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>(A) Contingent liabilities:</b>		
<b>a) Claims against the Company not acknowledged as debts:</b>		
Disputed Excise Demand (Matter Under appeal)	1216.42	1216.42
Disputed Custom duty demand (Matter Under appeal)	499.85	499.85
Disputed service tax demand (Matter Under appeal)	150.26	150.26
Disputed Income Tax demand (Matter Under appeal)	3093.41	-
Disputed VAT demand (Matter Under appeal)	1607.21	1607.21
Disputed GST demand (Matter Under appeal)	503.36	-
Claims by Parties	275.76	626.21

**b) Guarantees excluding Financial Guarantees:**

Estimated amount of contracts remaining to be executed on capital account [net of advances] and not provided for ₹ NIL (P.Y ₹ NIL)

**(B) Commitment:**

Commercial Tax Department has challenged by way of Tax Appeal before Supreme Court, the order of Gujarat High Court wherein Judgment of Joint Commissioner of Commercial Tax (Legal) was quashed and decided that non cooking coal used in the manufacturing process for Sponge Iron as raw material and eligible for ITC under Section 11 (3)(b). The result of the appeal will decide whether company has to claim amount of ITC or refund ITC already taken. However, amount of contingent liability cannot be ascertained.

**Note :**

It is not practical for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse impact on its financial results.

**32. SEGMENT REPORTING:**

The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard – 108 'Operating Segments' Reporting. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard – 108 'Operating Segments'. All the assets are located in the company's country domicile.

(Amount ₹ in Lakhs)

Particulars	Year Ended on 31.03.2024	Year Ended on 31.03.2023
<b>Revenue from</b>		
- Outside India	775.70	808.52
- In India	56888.44	48764.42

Two customers have contributed 10% or more to the company's revenue for 2023-24 Amounting to ₹ 45708.20 Lakh (Including GST) and in 2022-23 Two customers have contributed 10% or more to the company revenue amounting to ₹ 31510.59 Lakh. (Including GST)



**33. FINANCIAL AND DERIVATIVE INSTRUMENTS****- Capital Management**

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

**Disclosures**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset; financial liability and equity instrument are disclosed in accounting policies as stated above:

**(i) Categories of Financial Instruments**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Financial Assets</b>		
<b>Measured at Amortized Cost</b>		
(i) Trade and Other Receivables	6672.46	7039.93
(ii) Cash and Cash Equivalents	20.68	21.88
(iii) Loans	4.64	1.97
(iv) Bank balances other than (ii) above	72.91	68.42
<b>Financial Liabilities</b>		
<b>Measured at Amortized Cost</b>		
(i) Borrowings	12500.00	12500.00
(ii) Trade Payables	4035.54	3024.09
(iii) Other Financial Liabilities	318.47	356.73

**(ii) Fair Value Measurement**

This note provides information about how the Company determines fair values of various financial assets.

**Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

**(iii) Financial Risk Management Objectives**

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

**Interest Rate Risk**

The Company's interest rate risk arises from the Long-Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortized cost.

**Liquidity Risk**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount ₹ in Lakhs)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
<b>As at 31<sup>st</sup> March, 2024</b>				
Borrowings	--	12500.00	--	12500.00
Trade Payables	3933.05	--	102.49	4035.54
Other Financial Liabilities	182.69	--	135.78	318.47
<b>As at 31<sup>st</sup> March, 2023</b>				
Borrowings	--	12500.00	--	12500.00
Trade Payables	2896.60	33.08	94.41	3024.09
Other Financial Liabilities	220.95	--	135.78	356.73

**Credit Risk**

Credit risk is the risk that counterparty will 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).

**Trade Receivables**

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 3 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has made assessment of Allowance for Credit Loss in respect of Trade Receivables. The Company has analysed its trade receivables for gaining analysis and grouped them accordingly and then applied ear wise percentage to calculate the amount of Allowance for Credit Loss in respect of the same.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organization to ensure proper attention and focus for realization.

(Amount ₹ in Lakhs)

Particulars	Up to 1 Year	1 Year - 3 Years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March, 2024</b>				
Loans to Employees	4.64	--	--	4.64
Trade Receivables	6625.02	--	47.44	6672.46
<b>As at 31<sup>st</sup> March, 2023</b>				
Loans to Employees	1.97	--	--	1.97
Trade Receivables	6992.49	--	47.44	7039.93

**(a) For hedging currency**

(Amount ₹ in Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
Outstanding Forward Contract	NIL	NIL

### 34. DISCLOSURES REGARDING EMPLOYEE BENEFITS

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

#### Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year is as under:

(Amount ₹ in Lakhs)

Particulars	2023-24	2022-23
Employers contribution to provident fund	65.41	65.38

- (i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.
- (ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

- (iii) Major risk to the plan

I have outlined the following risks associated with the plan:

#### A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**B. Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

**C. Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

**D. Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**E. Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

**(iv) Defined Benefit Cost**

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Current Service Cost	17.17	19.15
Net Interest Cost	7.48	6.38
<b>Defined Benefit Cost included in Profit and Loss</b>	<b>24.65</b>	<b>25.53</b>
<b>Defined Benefit Cost included in Other Comprehensive Income</b>	<b>-3.69</b>	<b>-19.72</b>
<b>Total Defined Benefit Cost in Profit and Loss and OCI</b>	<b>20.96</b>	<b>5.81</b>

**Movement in Defined benefit liability:**

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Opening Defined Benefit Obligation	117.82	113.30
Interest Expense on Defined Benefit Obligation (DBO)	7.48	6.38
Current Service Cost	17.17	19.15
Total Re-measurements included in OCI	-3.69	-19.72
Less: Benefits paid	3.81	1.29
Less: Contributions to plan assets	-	-
<b>Closing benefit obligation</b>	<b>134.97</b>	<b>117.82</b>

**(v) Sensitivity Analysis of Defined Benefit Obligation:**

(Amount ₹ in Lakhs)

	2023-24	2022-23
<b>(A) Discount rate Sensitivity</b>		
Increase by 0.5%	133.55	115.22
(% change)	-1.05%	-2.20%
Decrease by 0.5%	139.76	120.55
(% change)	3.55%	2.32%

	2023-24	2022-23
<b>(B) Salary growth rate Sensitivity</b>		
Increase by 0.5%	139.80	120.59
(% change)	3.58%	2.35%
Decrease by 0.5%	133.48	115.15
(% change)	-1.11%	-2.26%
<b>(C) Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	136.68	117.86
(% change)	1.27%	0.03%
W.R. x 90%	136.40	117.70
(% change)	1.05%	-0.10%

(vi) **Principle Actuarial assumptions:**

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Discount Rate	7.15%	7.30%
Salary Growth Rate	5.00%	5.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	30% at younger ages reducing to 5% at older ages

(vii) The above details are certified by the actuary.

- 35.** Certain Balance of Debtors, Creditors, is non- moving / sticky since last 3 years. However, in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
- 36.** In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
- 37.** The balance confirmations from the suppliers and customers have been called for, but the same are awaited till the date of audit. Thus, the balances of receivables, advance from customers and trade payables have been taken as per the books of accounts submitted by the management of the company and are subject to confirmation from the respective parties.

**38. RELATED PARTY DISCLOSURES:**

List of Related Parties and Relationships:

**i. Concern where significant interest exists :**

Name of the Concern	Nature of Relationship
Shah Alloys Limited	Enterprises over which Key Managerial personnel have signifi-cant influence
SAL Care Private Limited	Enterprises over which Key Managerial personnel have signifi-cant influence
SAL Corporation Pvt Ltd	Enterprises over which Key Managerial personnel have signifi-cant influence
Adarsh Foundation	Enterprises over which Key Managerial personnel have signifi-cant influence

## ii. Key Management Personnel:

Name of the Key Management Personnel	Nature of Relationship
Shri Rajendra V Shah (Chairman)	Key Management Personnel
Shri Sujal A Shah (Executive Director)	Key Management Personnel
Shri B M Singhal (Whole Time Director cum CFO )	Key Management Personnel
Shri J.P. Goyal (till 13.05.2023) (Whole time Director)	Key Management Personnel
Shri Piyush Chandarana (from 25.08.2023) (Whole time Director)	Key Management Personnel
Shri Vinay Kumar Mishra (from 25.08.2023) (Company Secretary)	Key Management Personnel
Shri Manish Daulani (till 12.08.2023) (Company Secretary)	Key Management Personnel
Mr. Ambalal C. Patel (Independent Director)	Key Management Personnel
Mr. Tejpal S. Shah ( till 05/12/2023) (Independent Director)	Key Management Personnel
Harshad M. Shah ( till 31.3.2024) (In-dependent Director)	Key Management Personnel
Mr. Shrikanth N. Jhaveri (Independent Director)	Key Management Personnel
Mrs. Shefali M. Patel (Independent Director)	Key Management Personnel
Mr. Bipinbhai Gosaliya ( from 24.02.2024) (Independent Director)	Key Management Personnel
Mr. Mitesh V. Jariwala ( from 24.02.2024) (Independent Director)	Key Management Personnel
Karan R. Shah	Close member of KMP
Ragini R. Shah	Close member of KMP

(Related Parties have been identified by the Management)

## (a) Disclosure of Related Party Transactions (Amount ₹ In lakhs)

Sr No.	Related Party	Nature of Transaction	2023-24	2022-23
1.	Shah Alloys Limited	Purchases	105.01	275.03
		Sales (Incl Power)	27153.71	23101.27
		Balance as at the year end	6562.57	6964.94
2.	SAL Care Pvt Ltd	Loan taken	0.00	75.00
		Loan repaid	0.00	75.00
		Interest	0.00	0.08
		Balance as at the year end	0.00	0.07
3.	Adarsh Foundation	CSR Payment	0.00	30.50
<b>Key Management Personnel</b>				
4.	Mr. Sujal Shah	Salary	4.32	4.32
5.	Mr. B.M Singhal	Salary	6.72	6.70
6.	Mr. Piyush Chandarana	Salary	9.51	0.00
7.	Mr. J.P.Goyal	Salary	3.09	25.68
8.	Mr.Vinay Kumar Mishra	Salary	7.83	0.00
9.	Mr. Manish Daulani	Salary	3.77	8.54
10.	Mr. Ambalal C. Patel	Siting Fees	0.90	0.20
11.	Mr. Tejpal S. Shah	Siting Fees	0.40	0.70
12.	Harshad M. Shah	Siting Fees	0.60	0.70
13.	Mr. Shrikanth N. Jhaveri	Siting Fees	1.10	1.20
14.	Mrs. Shefali M. Patel	Siting Fees	1.10	1.20

The remuneration of directors and other members of Key management personal during the year are as follows:

(Amount ₹ in Lakhs)

Particulars	2023-24	2022-23
Short term Benefits	35.24	45.24

- 39.** As stated by the Management, the Company has not recognized any Impairment of entire Capital Work in Progress (CWIP) of ₹ 100.94 lakhs for the year ended on 31/03/2024. The management has assessed the carrying amount of CWIP based on expected future economic benefits. The management believes that the carrying value of CWIP is recoverable and does not warrant any impairment as of the year ended on 31/03/2024.
- 40.** As stated & Confirmed by the Management, the company does not have details w.r.t MSME Vendors as prescribed under MSME Act, 2006 which states as specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order 2019 and hence the company has not provided the same.
- 41.** As stated by the Management, the company has not made provision for Electricity Duty of ₹ 296.91 lakhs in the books of accounts for the year ended on 31<sup>st</sup> March, 2024.
- 42.** During the year under review, the company has written back creditors amounting to ₹ 124.61 lakhs. As per the management the same is not payable, accordingly they have been written back and credited to statement of Profit and loss account as Other Income.
- 43.** Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.
- 44.** The financial statements were authorized for issue by the directors on 30<sup>th</sup> May, 2024.

**45. CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTION-**

Based on the average net profits of the Company after computation of Net Profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years, the Company is not required to spend any amount on CSR activities during the financial year 2023-24.

- 46.** As Stated, by the Management, the company does not currently have insurance coverage for its Property, Plant & Equipment. The Company may face the financial losses without any claim or compensation from an insurance provider.

**47. UNDISCLOSED TRANSACTIONS**

As stated, & confirmed by the Board of Directors, The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**48. BENAMI TRANSACTIONS**

As stated, & confirmed by the Board of Directors, The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

**49. LOAN OR INVESTMENT TO ULTIMATE BENEFICIARIES**

As stated, & Confirmed by the Board of Directors, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entity(ies) identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

**50. LOAN OR INVESTMENT FROM ULTIMATE BENEFICIARIES**

As stated, & Confirmed by the Board of Directors, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**51. WILLFUL DEFAULTER**

As stated, & Confirmed by the Board of Directors, The Company has not been declared willful defaulter by the bank during the year under review.

**52. TRANSACTIONS WITH STRUCK OFF COMPANIES**

As stated, & Confirmed by the Board of Directors, the company has not under taken any transactions nor has outstanding balance with the company Struck Off either under section 248 of the Actor under Section 560 of Companies act 1956.

**53. SATISFACTION OF CHARGE**

As informed by the Management there are no charges which are yet to be registered or yet to be satisfied with Registrar of Companies beyond statutory period. However, while caring out search on MCA portal, following charges are yet to be satisfied beyond the statutory period, details of which are as under:

SR. NO.	SRN	CHARGE ID	CHARGE HOLDER NAME	DATE OF CREATION	DATE OF MODIFICATION	DATE OF SATISFACTION	AMOUNT (₹ In Lakhs)	ADDRESS
1	B31125222	10333322	HDFC BANK LIMITED	20/01/2012	-	-	33.00	HDFC BANK HOUSE MUMBAI
2	B22595144	10310289	SREI Equipment Finance Private Limited	15/09/2011	-	-	45.00	'VISHVAKARMA' 86C, TOPSIAROAD, KOLKATA
3	A61391769	10154901	UNION BANK OF INDIA	31/03/2009	-	-	12.35	I.F. BRANCH, ASHRAM ROAD, AHMEDABAD

**54. CRYPTO CURRENCY**

As stated, & Confirmed by the Board of Directors. The Company has not traded or invested in Crypto Currency or Virtual Currency.

**55. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:**

As informed and confirmed by the Board of Directors, the Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**56. COMPLIANCE WITH SCHEME OF ARRANGEMENT**

As stated, & confirmed by the Board of Directors, The Company has not applied for any scheme of Arrangements under sections 230 to 237 of the Companies Act 2013.

**57.** The Company has assessed internal and external information upto the date of approval of the audited financial statements while reviewing the recoverability of assets, adequacy of financial resources, Performance of contractual obligations, ability to service the debt and liabilities etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts and obligations. Hence the management does not envisage any material impact on the audited financial statements of the company for the year ended on 31<sup>st</sup> March 2024.

**58.** As stated, & Confirmed by the Board of Directors, The company has not been sanctioned any term loan during the year not there is outstanding term loans as at 31<sup>st</sup> March 2024.

**59.** As stated, & Confirmed by the Board of Directors, the Property, plant and equipment is in the name of the company.

**60.** As stated, & confirmed by the board of Directors, the company has not revalued its Property, Plant and Equipment and intangible assets during the year under review.

**61.** As stated, & Confirmed by the board of Directors, the Company has not been sanctioned working capital limits from a bank on the basis of security of the current assets.



**NOTE NO : 62 TAX RECONCLIAION**

Income taxes recognised in Statement of Profit and Loss

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
In respect of the current year	14.97	181.25
(Excess)/Short provision for tax of earlier years	(0.12)	47.57
	<b>14.86</b>	<b>228.82</b>
Deferred tax(credit) /Charged	2.41	(31.24)
Total income tax expense recognised in respect of continuing operations	17.27	197.58

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Profit before taxes	64.24	552.20
Enacted tax rate in India	25.168%	25.168%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	16.17	138.98
(Excess)/Short provision for tax of earlier years	(0.12)	47.57
Non deductible expenses for Tax Purpose	257.68	264.88
Deductible Expenses for Tax purposes	(258.87)	(222.61)
	<b>14.86</b>	<b>228.82</b>
<b>Effect of:</b>		
Timing Difference of Depreciation (Deferred tax liability)	(18.57)	18.04
43B Differences ( Deferred tax assets)	16.16	13.20
	<b>(2.41)</b>	<b>31.24</b>
<b>Income taxes recognised in the Statement of Profit and Loss</b>	<b>(17.27)</b>	<b>(197.58)</b>

The tax rate used is corporate tax rate of 22% plus surcharge @ 10% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

**Income tax recognised in other comprehensive income**

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.93	4.96
<b>Total income tax recognised in other comprehensive income</b>	<b>0.93</b>	<b>4.96</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	0.93	4.96
<b>Income tax recognised in other comprehensive income</b>	<b>0.93</b>	<b>4.96</b>

Note: Deferred tax liability has been calculated using effective tax rate of 25.168%

**Components of deferred tax assets and liabilities**

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>(a) Deferred tax liabilities</b>		
Difference between book and tax depreciation	1,906.78	1,925.36
	<b>1,906.78</b>	<b>1,925.36</b>
<b>(b) Deferred tax assets</b>		
Disallowances of employee benefits u/s. 43B of the Income Tax	49.25	71.17
<b>Deferred Tax Liabilities (Net)</b>	<b>1,857.53</b>	<b>1,854.19</b>

**63 IND AS 115- ILLUSTRATIVE DISCLOSURES**

The Company has recognised the following amounts relating to revenue in the statement of profit or loss:

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Revenue from contracts with customers	57,664.14	49,572.94
<b>Total revenue</b>	<b>57,664.14</b>	<b>49,572.94</b>

Revenue is recognized upon transfer of control of products to customers

**(a) Disaggregation of revenue from contract with customers**

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Revenue from</b>		
- Outside India	775.70	808.52
- In India	56,888.44	48,764.42

Two customers have contributed 10% or more to the company's revenue for 2023-24 Amounting to ₹ 45708.20 Lakh (Including GST ) and in 2022-23 Two customers have contributed 10% or more to the company's revenue for 2022-23 Amounting to ₹ 31510.59 Lakh (Including GST)

**(b) Contract assets and liabilities**

The Company has recognised the following revenue-related contract assets and liabilities

(Amount ₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Contract Assets	6,672.45	7,039.93
<b>Total contract assets</b>	<b>6,672.45</b>	<b>7,039.93</b>
Contract liability	2,749.51	2,305.52
<b>Total contract liabilities</b>	<b>2,749.51</b>	<b>2,305.52</b>

**(c) Performance obligations**

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

**64. RATIO ANALYSIS**

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	Variation	Reasons
Current Ratio	Current Assets	Current Liabilities	1.42	1.50	-5%	
Debt Equity Ratio	Borrowings	Share Holder's Equity	2.97	3.01	-1%	
Debt Service Coverage Ratio	Earnings available for debt Service	Debt Service	N.A	N.A	N.A	
Return on Equity (ROE):	Net Profit after Taxes	Average Shareholder's Equity	1.12%	8.94	-87%	Due to Substantial decrease in the Net Profit during the year
Inventory Turnover Ratio	Cost of Material Consumed + Channages in WIP/ FG	Average Invnetory	8.26	6.94	19%	
Trade receivable Turnover Ratio	Revenue from Operations	Average Trade Receivables	8.41	7.71	9%	
Trade Payable Turnover Ratio	Purchases	Average Trade Payables	12.83	10.26	25%	Due to Increase in Purchase and Decrease in trade payables
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	14.33	11.16	28%	Due to increase in the revenue and Decrease in Net working capital
Net Profit Ratio	Net Profit	Revenue from Operations	0.08%	0.72%	-89%	Due to substantial decrease in the Net Profit
Return on Capital Employed	Earning Before Interest and Tax	Capital Employed	8.01%	8.01%	0%	

**Signatures to Notes - 1 to 64**

Notes referred to herein above form an integral part of the Financial Statements.

As per our report of even date attached.

For **Parikh & Majmudar**  
Chartered Accountants  
(Firm Regn.No.107525W)  
**UDIN:** 24107628BJZWRZ6265

**CA Satwik Durkal**  
Partner  
Membership No. : 107628

**Place :** Ahmedabad  
**Date :** 30<sup>th</sup> May, 2024

For and on behalf of the Board of Directors,  
**SAL Steel Limited**

**[Rajendra V Shah]**  
Chairman  
DIN: 0020904

**[Ambalal C.Patel]**  
Independent Director  
DIN: 0037870

**[B L Singhal]**  
Whole Time Director cum C F O  
DIN: 01484213

**[Vinay Kumar Mishra]**  
Company Secretary