



SCAN STEELS LTD.

CIN : L27209MH1994PLC076015

+91 80931 15221

scansteels@scansteels.com

www.scansteels.com



Date: 1st September, 2023

To,
The Secretary,
Listing Department,
Bombay Stock Exchange Limited
Floor 25, P.J. Towers, Dalal Street,
Mumbai- 400 001.

Sub.: Submission of Annual Report pursuant to Regulation 34 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Scrip Code - 511672.

Dear Sir/Madam,

Thirtieth Annual General Meeting ("AGM") of the members of Scan Steels Limited (the "company") will be held on Friday, September 29, 2023 at 10.30 A.M., IST, **through two-way Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")**. This is in compliance with the General Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and subsequent circulars issued in this regard, the latest being December 28, 2022 read with applicable SEBI Circulars.

Please find enclosed herewith the 30th Annual report along with Annual Accounts of Scan Steels Limited for the Financial Year 2022-23. The Notice convening the Annual General Meeting of the Company forms part of this Annual report.

The Annual Report is also available on our website at [https://scansteels.com/wp-content/uploads/2023/01/30TH%20ANNUAL%20REPORT%2022-23%20\(2\).pdf](https://scansteels.com/wp-content/uploads/2023/01/30TH%20ANNUAL%20REPORT%2022-23%20(2).pdf) Under Investor Relations Segment.

The Annual Report is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories. This is in compliance with the Circulars dated May 12, 2020, and subsequent circulars issued in this regard, the latest being January 05, 2023 issued by the Securities and Exchange Board of India read with applicable MCA circulars.

This information is being submitted pursuant to Regulation 34 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records.

**Thanking you,
For Scan Steels Limited**

PRABIR
KUMAR DAS
Digitally signed by
PRABIR KUMAR DAS
Date: 2023.09.01
13:46:35 +05'30'

Prabir Kumar Das
President & Company Secretary
Encl: As above.



Corporate Office : Trishna Nirmalya
Plot No. 516/1723/3991, 3rd Floor
Patia, Bhubaneswar-751024

Registered Office : Office No. 104, 105, E-Square
Subhash Road, Vile Parle (East), Mumbai-400057
Phone : +91-02226185461, +91-02226185462



SCAN STEELS LTD.



30th
Annual
General
Meeting

ANNUAL REPORT

& FINANCIAL STATEMENTS 2022-23



Sawarmal Gadodia
Scan Group Founder & Visionary



Page No.	Contents
01	Key Performance Indicator
02	Corporate Information
03	Chairman's Message
<hr/>	
Notice	
05	Notice convening Annual General Meeting
27	Information required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Read with clause 1.2.5 of the secretarial standard-2
<hr/>	
Statutory Reports	
29	Directors' Report
82	Management Discussion and Analysis Report
104	Corporate Governance Report
154	Declaration Regarding Code of Conduct by Directors
155	Certificate of Non-Disqualification of Directors
156	CEO/CFO Certificate.
157	Management Responsibility Report
<hr/>	
Financial Statements	
159	Independent Auditors' Report
166	Annexure to the Independent Auditors' Report
173	Balance Sheet
174	Statement of Profit and Loss
175	Cash Flow Statement
176	Statement of Changes in Equity
179	Notes to Balance Sheet and Statement of Profit and Loss
<hr/>	
Go Green Initiative	

Scan Steels LTD.

Achievements

Scan Steels a name to reckon in the steel industry with diversified steel products with the world class technology & infrastructure. It is self sufficient in all most all aspects of steel making with own Sponge Iron Plants, Induction Furnace, Rolling Mills, Billet-Caster, & Power Plant that supports India's Infrastructure Growth.

The Company has been honoured with ISO 9001:2008, ISO: 14001, OHSAS: 180001 & ISI: 1786 Certificates.

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and/or oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

***The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards issued by The Institute of Company Secretaries of India. Assurance on financial statements has been provided by independent auditors SRB & Associates, Chartered Accountants. Further, the Board's Report contains the secretarial audit report and report on Corporate Governance, provided by M/s Amarendra Mohapatra & Associates, Practicing Company Secretaries, giving assurance on compliance with secretarial and governance requirements under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Scan Steels approach to reporting aims at providing quantitative and qualitative disclosures on our relationships with the stakeholders and how our leadership, culture and strategy are aligned to deliver value while managing risks and changes to the external environment. Our Report provides a concise overview of our overall performance and prospects to assist the reader in making an informed decision on our ability to create value and on the future viability of our business.

**GROWING OUR CAPACITY AND CAPABILITY TO CATALYSE INDIA'S AMBITION,
BUILDING A SUSTAINABLE FUTURE FOR ALL OUR STAKEHOLDERS**

KEY PERFORMANCE INDICATOR

Total Revenue (₹ in crore)		(9.42 % y-o-y)
₹ 1096.78		
FY 2022-23	1,096.78	
FY 2021-22	1,002.34	
FY 2020-21	736.46	

EPS (₹ per share)		(- 69.79 % y-o-y)
₹ 2.93		
FY 2022-23	2.93	
FY 2021-22	9.70	
FY 2020-21	5.87	

PAT & PAT Margin (₹ in crore)		(- 69.82 % y-o-y)
₹ 15.32		
FY 2022-23	15.32	
FY 2021-22	50.77	
FY 2020-21	30.75	

Net-worth (₹ in crore)		(4.31-% y-o-y)
₹ 365.98		
FY 2022-23	365.98	
FY 2021-22	350.85	
FY 2020-21	300.16	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajesh Gadodia	: Non- Executive Chairman
Shri. Ankur Madaan	: Whole – Time Director
Shri. Praveen Kumar Patro	: Executive Director
Shri. Punit Kedia	: Independent Director
Shri Shravan Kumar Agrawal	: Independent Director
Smt. Debjani Sahu	: Independent Women Director

PRESIDENT & COMPANY SECRETARY

Shri. Prabir Kumar Das

CHIEF FINANCIAL OFFICER

Shri. Gobinda Chandra Nayak

AUDITORS

STATUTORY AUDITORS

SRB & Associates,
Chartered Accountants
5th Floor, IDCO Tower, Janapath,
Bhubaneswar – 751022, ODISHA

COST AUDITORS

M/s. Ray Nayak and Associates,
Cost Accountants

SECRETARIAL AUDITORS

M/s. Amarendra Mohapatra & Associates,
Practicing Company Secretary

INTERNAL AUDITORS

M/s. Dalaniya & Associates,
Chartered Accountants

BANKERS

State Bank of India
Punjab National Bank

INSURANCE

United India Insurance Company Limited
Reliance General Insurance Company Limited
The New India Assurance Company Limited

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Pvt. Limited
17-20, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E), Mumbai-400 059.
Tel: +91 22 42270400 / +91 22 42270423
+91 22 42270427 / +91 22 42270422
Fax: +91 22 28503748
Email: info@adroitcorporate.com
Web Site: www.adroitcorporate.com

REGISTERED OFFICE

104-105, "E- Square", 1st Floor,
Subhash Road, Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai – 400057
Ph.: 022-26185461/62, Fax: 022-26185463
Email – id: secretarial@scansteels.com
Web: www.scansteels.com

CORPORATE OFFICE

Trishana Nirmalya
Plot No. 516/1723/3991, 2nd Floor
Magnetics Chowk, Patia, Bhubaneswar-751024
Ph. 8093115221
Email – id: secretarial@scansteels.com
Web: www.scansteels.com

WORKS

Scan Steels Limited

Unit - 1 Rambahal, At- Keshramal, Rajgangpur,
Sundergarh (Odisha)

Unit - 2 Gangajal, Budhakata, Sundergarh, Odisha

Unit - 3 Bai-bai, Tudalaga, Rajgangpur,
Sundergarh, Odisha

Unit - 4 Vill -Veniveerapura, Bellary, Karnataka

Email – id: secretarial@scansteels.com
scansteels@scansteels.com
Web: www.scansteels.com

Chairman's Message

The Steel we make goes into providing enduring strength and flexibility in building infrastructure projects that are key to India's aspirations for sustainable developments and inclusive progress. With its versatility and infinite recyclability, the steel we make is not only strengthening India's infrastructure but is also playing a key role in its green transition and journey towards self-reliance

Dear Shareholders,



Welcome friends & Patrons to this 30th AGM on 29.09.2023 through two-way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). As we gather here today to mark the end of another remarkable year at our esteemed steel company, I am filled with a deep sense of pride and gratitude. The journey we've undertaken together over the past year has been nothing short of extraordinary.

In the face of challenges, both anticipated and unforeseen, we have stood united, demonstrating our resilience and unwavering commitment to excellence. Our dedicated team has consistently strived for innovation, pushing the boundaries of what's possible in the steel industry.

Throughout this year, we have witnessed our production lines hum with activity, transforming raw materials into the foundation of modern infrastructure and progress. Our products have built bridges, skyscrapers, and countless structures that shape the world around us. This achievement is a testament to our expertise and the dedication we bring to our craft.

I appreciate their consistent companionship for commemorating our growth.

Scan Steels Limited has stuck its neck out in the turbulent times to tally its business projections. Every Body's inspiration catches up our aspiration to leap forward with addition of assets through project expansions and acquisitions. We are sure in the coming time; our group will be a reckoning force in the market. We are also diversifying selectively. Our trysts with quality assurance and new Market development have been our guiding forces since long.

The Steel market is always having troughs and crests. We know the future apprehensions of market as change in global economic order is indispensable. War scenario has changed the business dynamics in the World, exports got hit eventually. We have earmarked ₹ 300 for capex for expansion; we are enhancing working capitals to secure raw materials with a strategy for cost leadership in the competitive market.

Moreover, the group has played a significant role in helping employment generation, Economic growth of the nation. We are sustaining our effort to serve the market needs and meeting customer delights through product differentiations, our well-defined distribution system and our value chain are our strength; we are building trust through participation of common masses. The company has the philosophy of growth inclusively through societal development.

Scan business priorities have never overshadowed its community efforts. In fact, we have always looked upon our business as an enabling force for social advancement. Moreover, we are uplifting underprivileged communities and supporting locals to develop professional skills and earn a better livelihood. Our success wouldn't be possible without the dedication of each individual in this room. From the factory floor to the boardroom, every contribution has played a pivotal role in our achievements. I am truly honored to lead such an exceptional team.

Looking ahead to the future, I am excited by the opportunities that lie before us. Our focus on sustainability, innovation, and customer satisfaction will continue to be the pillars on

which we build our success. We will explore new avenues, embrace emerging technologies, and adapt to changing market dynamics.

As we celebrate our accomplishments today, let us also remember that challenges will undoubtedly arise in the coming year. But just as we have in the past, I am confident that we will face these challenges head-on, turning them into opportunities for growth and advancement.

Our constant endeavor is to achieve quality & excellence towards offering & serving our customers beyond their expectations. Let me once again record my appreciation to all our shareholders and also our customers, suppliers, vendors, government authorities and lenders for their unstinted support to the company during the year. In conclusion, I extend my heartfelt gratitude to each and every one of you for your unwavering commitment and exceptional contributions. Let us move forward into the New Year with optimism, determination, and a shared vision of continued success. I would also like to thank all the employees for their tireless commitment to enhancing the performance and well-being of the Company.

Jai Hind!!!

Thanking you
With kind regards,

Rajesh Gadodia
(DIN: 00574465)
Chairman



SCAN STEELS LIMITED

(CIN: L27209MH1994PLC076015)

Regd. Office: Off. No. 104-105, "E-Square", Subhash Road,
Opp. Havmor Ice-Cream, Vile Parle (East), Mumbai - 57

Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com, E-mail: secretarial@scansteels.com

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of **SCAN STEELS LIMITED** will be held on Friday, the 29th day of September, 2023 at 10.30 A.M. IST through two-way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Praveen Kumar Patro (DIN: 02469361), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS: -

3. Material Related Party Transaction(s) with Karma-rerollers Private Limited.

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable rules if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, and the Company's policy on Related Party transaction(s), and pursuant to the consent of the Audit Committee and Board Of Directors of the Company (which term shall be deemed to include any Committee constituted/empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution), the approval of Shareholders of the company be and is hereby accorded to the Board of Directors of the Company (including any committee thereof) to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise as mentioned in the explanatory statement) with the Karma-rerollers Private Limited., a related party within the meaning of Section 2(76) of the Act, read with Regulation 2(1)(zb) and Regulation 2(1)(zc) of the Listing Regulations, 2015 for Purchase / Sale of Steel Products, including Services if any, on such terms and conditions as the Board of Directors (including Audit Committee thereof) may deem fit, for an aggregate value of up to ₹ 500 Crore per Financial Year from the financial year 2023-2024 and onwards, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of business of the Company.

"RESOLVED FURTHER THAT the Board (hereinafter referred to as "Board", which term

shall include any duly authorized Committee constituted by the Board] be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing, sign and executing necessary documents and papers on an ongoing basis including contracts, schemes, arrangements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors,

Director(s), or Chief Financial Officer or Company Secretary or any other officer(s)/Authorised Representative(s) of the Company to do all necessary acts, deeds, things and execute all such documents, agreements, writings or undertaking and amendments thereof to give effect to the aforesaid resolution.

4. Ratification of Cost Auditors’ Remuneration

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

“RESOLVED THAT, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors), Rules, 2014 [including any statutory modification(s) thereto or re-enactment thereof, for the time being in force], the remuneration, as approved by the Board of Directors, to be paid to the cost auditors Messrs. Ray, Nayak & Associates, Cost Accountants, appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct audit of Cost Records maintained in respect of all applicable products of the Company for the financial year 2023-24, at ₹ 55000/- plus tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.”

REGISTERED OFFICE:-

104-105, “E- Square”, Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai – 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email – id: secretarial@scansteels.com

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-

Prabir Kumar Das
(President & Company Secretary)

Place: Bhubaneswar
Date: 25th August, 2023

NOTES

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 [‘the Act’] relating to the Special Business to be transacted at the 30th Annual General Meeting of the Company (the “Meeting” or “AGM”) under Item Nos. 3 to 4, is annexed hereto
2. Information under regulation 36(3) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and clause 1.2.5 of Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors seeking appointment / re-appointment at the AGM, forms integral part of the notice. The Director(s) have furnished consent / declaration wherever applicable for his/their appointment / re- appointment as required under the Companies Act, 2013 and the Rules there under.
3. The Ministry of Corporate Affairs [“MCA”] has vide its circular No. 20/2020 dated May 5, 2020 read with circulars No. 14/2020 dated April 8, 2020, circulars No. 17/2020 dated April 13, 2020, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 [collectively referred to as “MCA Circulars”] and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 read with Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13.05.2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023 Issued by the Securities and Exchange Board of India [SEBI] permitted the holding of Annual General Meetings through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 [“Act”], SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 [“SEBI Listing Regulations”] and MCA /applicable SEBI Circulars, the **forthcoming Annual General Meeting of the Company [“AGM”] is being held through two-way video conferencing (VC) or other audio-visual means (OAVM) only.** Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. In continuation of Ministry’s **General Circular No. 20/2020**, dated 05th May, 2020 and General circular no. 02/2022 dated 05.05.2022 the AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and as per MCA Circular No. 10/2022 dated December 28, 2022. And applicable SEBI circulars dated 12.05.2020, 13.05.2022 and 05.01.2023
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, SEBI Circular dated 12.05.2020 read with SEBI Circular dated 13.05.2022 and MCA General Circular No. 17/2020 dated April 13, 2020 and 20/2020 dated May 5, 2020 and circular no. 02/2022 dated May 05, 2022 as the Forthcoming AGM is being held through VC / OAVM, and physical attendance of

Members has been dispensed with, the facility to appoint proxy to attend and cast vote for the members is not available for this 30th AGM. and therefore, the Proxy Form and Attendance Slip is not annexed to this Notice.

However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) intending to attend the meeting through their authorised representative are required to send a scanned certified copy (PDF Format) of their Board of Directors or governing body's Resolution/Authorization, authorizing their representative(s) to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, to the Scrutinizer by uploading in PDF format in the CDSL e-voting system for the scrutinizer to verify the same. Alternatively, to the Scrutinizer viz ajasso.abhijeet@gmail.com and to the Company at the email address viz; secretarial@scansteels.com, if they have voted from individual tab & not uploaded in the CDSL e-voting system for the scrutinizer to verify the same before the commencement of the AGM.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act read with MCA Circular No. 14/2020 dated April 8, 2020.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated April 8, 2020 and circulars No. 17/2020 dated April 13, 2020, read with circular No. 20/2020 dated May 5, 2020, circular no. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 the Notice calling the 30th AGM has been uploaded on the website of the Company at <https://scansteels.com/notices-to-shareholders/> under Investor Relation Segment. The Notice can also be accessed from the website of the Stock Exchange i.e., BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com
9. Members are requested to notify changes, if any, with the requisite Documents pertaining to their change in name, postal address/residential status, email address, telephone/mobile numbers, Permanent Account Number (PAN), AADHAR No., mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a. To their depository participants (DP) in respect of shares held in dematerialized form as per the process informed by your DP, and
 - b. To Registrar and Share Transfer Agent of the Company- **Adroit Corporate Services Pvt. Ltd**, whose office is located at 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane, Marol Naka, Andheri-E, Mumbai - 400059, Maharashtra, email- info@adroitcorporate.com Web Site: www.adroitcorporate.com, in respect of shares in physical form, under their signatures and quoting respective folio number.

* Members can download forms to notify or update changes as mentioned above from the company's website at <https://scansteels.com/others/>
10. SEBI vide its circular dated March 16, 2023 as amended from time to time read

with Circular November 03, 2021, has announced common and simplified norms for processing investor's service requests (viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition) by RTA's and norms for furnishing PAN, KYC details and nomination.

In compliance with this circular, letters were dispatched to 1,089 shareholders on 22.05.2023 for updation of KYC and other Details.

Members are requested to complete their KYC as mentioned in SEBI circular No. SEBI/HO/MIRSD/MIRSD - PoD-1/P/CIR/2023/37 dated March 16, 2023 as amended from time to time read with SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The shareholders (Physical) who have not yet responded with their details are requested to furnish the same to the Company / RTA - Adroit Corporate Services Pvt. Ltd. Members holding shares in electronic form are, requested to update changes if any, in their PAN and Bank account details etc. to their Depository Participants with whom they are maintaining their demat accounts.

11. Transfer of securities held in physical mode has been discontinued w.e.f. April 01, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. In compliance with the circular, Re-lodgement of transfer requests was carried out till the validity period of Circular. Further, effective from April 1, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders.

Further, Pursuant to SEBI circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022; SEBI has directed that listed companies shall henceforth issue securities in dematerialized form only while processing various Service Requests including the Transmission request as may be received from the securities holder/claimant.

12. The Central Board of Direct Taxes (CBDT), vide Circular No. 7 of 2022 (Notification F.No.370142/14/2022-TPL) dated March 30, 2022 has stated that PAN is mandatorily to be linked with Aadhaar on or before March 31, 2022 or any other date as may be specified by the CBDT.

The date in the said Notification for linking PAN with Aadhaar number was further extended to March 31, 2023. The folios in which PANs is / are not valid as on the notified cut-off date of March, 31, 2023 or any other date as may be specified by the CBDT, shall also be Inoperative. Thus, RTAs shall a) accept only valid PANs and b) also verify that the PAN in the existing folios are valid; i.e. whether it is linked to the Aadhaar number of the holder.

Members are requested to take Note of the aforementioned Circulars at point no. 11 & 12 and Proceed with their Requests accordingly. Members may download forms for the said requests from the Company's website at <https://scansteels.com/others/>

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

13. Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to the RTA of the Company.

Further, Members desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, and those who want to opt out of Nomination can send in form ISR - 3 after cancelling his/her existing nomination, if any, through SH-14 to the Registrar and Transfer Agent of the Company. These forms will be made available on request and can also be downloaded from company's website at <https://scansteels.com/others/>

14. Members are requested to kindly mention their Folio Number / Client ID and DP ID Number (in case of demat shares) in all their correspondence with the Companies Registrar in order to reply to their queries promptly, and for easy identification.
15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Notice is also given under section 91 of the Companies Act, 2013 and rules framed there under read with Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 23rd day of September, 2023 to Friday, the 29th day of September, 2023 (both day inclusive).

17. Members desirous of obtaining any information concerning Accounts and operations of the Company are requested to address their questions in writing to the Company or by sending an email to Company on secretarial@scansteels.com at an early date so as to enable the management to keep the information ready at the meeting.

18. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members.

To support this green initiative of the Government in full measure, and to receive notices of meetings, annual reports and other documents or communications from the Company, members who have not registered / Updated their e-mail addresses, so far, are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register/update the same with our Registrar & Share Transfer Agent - **Adroit Corporate Services Pvt. Ltd**, whose office is located at 17-20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Lane, Marol Naka, Andheri-E, Mumbai - 400059, Maharashtra. Tel: +91 22 42270400/423 or can send in Email: on info@adroitcorporate.com or to the company at secretarial@scansteels.com along with requisite documents as guided by RTA/ Company.

19. In compliance with the aforesaid MCA Circular No. 10/2022 dated December 28, 2022 read with Circular No. 20/2020 Dated May 5, 2020 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated

05.01.2023, read with circular dated May 12, 2020 Notice of the AGM along with the Annual Report 2022-23 is being **sent only through electronic mode** to those Members whose email addresses are registered with the Company's RTA - **Adroit Corporate Services Pvt. Ltd** / Depositories.

We, request all the shareholders, who have not yet registered their e-mail addresses, and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company at secretarial@scansteels.com. By following the process as guided to capture the email address for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.

Alternatively, member may send an e-mail request to RTA at info@adroitcorporate.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

20. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
21. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form SH - 13 can be obtain from Adroit Corporate Services

Pvt. Limited (RTA), Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant (DP).

The said form can also be downloaded from the Company's website at: <https://scansteels.com/others/> (under 'Investors' section).

22. Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to Registrar & Share Transfer Agent - **Adroit Corporate Services Pvt. Ltd** for consolidating their holdings under one folio.

23. VOTING THROUGH ELECTRONIC MEANS

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and Secretarial Standard-2 on General Meetings and also, as per MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, and December 28, 2022 read with applicable SEBI circulars, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited ("**CDSL**"). The members may cast their votes using an electronic voting system ("**remote e-voting**") for the ensuing Annual General Meeting.

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 (Venue Voting) will be provided by CDSL. instructions for e-voting are given here in below.

The Process and manner for remote e-voting are as under:

- (i) The remote e-voting period begins on Tuesday, 26th September, 2023 from 9.00 a.m. and ends on Thursday, 28th September, 2023 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2023, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 28th September, 2023.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, 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.

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings-Access through Depositories CDSL/ NSDL e-Voting system in case of **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website at www.cdslindia.com and click on Login icon and select New System Myeasi Tab. and then use your existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your Existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e., NSDL and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select **“Register Online for IDeAS Portal”** or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e., NSDL and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 4) Shareholders/ Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



App Store



Google Play



Individual Shareholders
(holding securities in
demat mode) login
through their **Depository
Participants
(DP)**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000

(v) Login method for e-Voting and joining virtual meetings - Access through CDSL e-Voting system in case of **Physical shareholders and non-Individual Shareholders Holding in Demat form**

- (i) The shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" Tab.
- (iii) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next enter the image verification as displayed and Click on Login
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

For Physical shareholders and shareholders other than individual Holding in Demat form	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use sequence number in the PAN field sent by Company/RTA or Contact Company/RTA
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required

to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **SCAN STEELS LIMITED** on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot

Password & enter the details as prompted by the system.

- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non-Individual Shareholders & Custodians-For Remote Voting Only:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module as Corporate and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@scansteels.com, if they have

voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those shareholders whose email addresses/Mobile No. are not registered with the depositories/RTA for obtaining login credentials for e-voting for the resolutions proposed in this notice:

1. For Physical shareholders- with form ISR- 1, please provide necessary details like 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 sending email to Company at secretarial@scansteels.com or RTA info@adroitcorporate.com.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP), or 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 Company at secretarial@scansteels.com or RTA info@adroitcorporate.com

Alternatively, shareholders/members may send a request to helpdesk.evoting@cdslindia.com for procuring user ID and password for e-voting.

- [xviii] In case you have any queries or issues regarding attending AGM / grievances connected with the facility for e-voting on the day of the AGM & remote e-voting, from the e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central

Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800225533

- [xix] The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of 22nd September, 2023 and as per the Register of Members of the Company.
- [xx] Any shareholder(s) holding shares in physical form and/or non-individual shareholder who acquires shares of the company and becomes a member of the company after the Notice of Annual General Meeting is sent to all members and is holding shares as of the cut-off date, i.e., 22nd September, 2023, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. Alternatively, Members can also send request to RTA and seek assistance at info@adroitcorporate.com However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evotingindia.com.

In case of Individual Shareholder holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under ‘**Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**’

(xxi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting before the AGM (During the E-voting Period) or e-voting at/ During the Annual General Meeting to cast vote on all the resolutions set forth in the Notice of AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

(xxii) The voting rights in respect of unclaimed shares held in Scan Steels Limited Unclaimed Suspense Account stands frozen in terms of Regulation 39 read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such shareholders are to treat this notice as having been given for information purposes only.

(xxiii) M/s. A J & Associates (CS Abhijeet Jain), Practicing Company Secretaries, (Membership No. FCS 4975, CP No. 3426) of Diamond Chambers, 4, Chowringhee Lane, Block - 1, 4th Floor, Suite #4M, Kolkata - 700016. has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at/ during the AGM by electronic mode in a fair and transparent manner.

They have communicated their willingness to be appointed as such and they are available for the said purpose.

The Scrutinizer's decision on the validity of the votes will be final. Members can opt for only one mode of voting i.e., either through remote e-voting (before the AGM, During the E-voting Period) or voting at the AGM.

24. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act,

2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice and Explanatory Statement/Annual Report will be available for inspection during business hours in between 11.00 a.m. to 01.00 p.m. on all working days (except Saturday, Sunday and Public Holiday) at the Registered Office of the company up to the date of the AGM, the same shall be available during the meeting hours in electronic mode however, suitably possible by the Company.

Alternatively, Members can also request by sending an e-mail to the Company at secretarial@scansteels.com up to and including the date of the Annual General Meeting of the Company.

25. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The Members can join the 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.
2. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis (as per the MCA Circulars).
3. No restrictions on account of First come first served basis entry into AGM will be applicable to 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.

4. The attendance of the Members (members logins) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. **Shareholder will be provided with a facility to attend the 30th AGM through VC/OAVM or view the live webcast through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. On this page the link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.**
6. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
7. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. 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.
9. 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 at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@scansteels.com
10. The shareholders who do not wish to speak during the AGM but have queries may send in their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@scansteels.com. These queries will be replied to by the company suitably by email.
11. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting once the floor is open for shareholders queries. The Company reserves the right to restrict the number of speakers/Time depending on the availability of time for the AGM. Please note that, members questions will be answered only if the shareholder continues to hold shares of the Company as on the cut-off date.
12. The procedure for attending the Meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
13. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall order voting, and 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.
14. 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.
15. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and votes cast at the AGM shall be treated as invalid.

16. The remote e-Voting module on the day of the AGM shall be disabled from CDSL Portal for voting 15 minutes after the conclusion of the Meeting.
17. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
18. Members will be required to grant access to the web-cam to enable two-way video conferencing.
26. The Scrutinizer shall immediately after the conclusion of voting at the 30th Annual General Meeting, first count the votes cast at/during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
27. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
28. The results [of e-voting] declared along with the Scrutinizer's Report shall be placed on the Company's website at www.scansteels.com and on the website of CDSL www.evotingindia.com as well as displayed on the notice board at the Registered Office and Corporate Office of the Company, immediately after the result declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company are listed not later than 48 hours of the conclusion of the AGM.
29. The resolutions, if passed by a requisite majority, shall be deemed to have been passed on the date of the Annual General Meeting [i.e., 29th September, 2023]
30. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: secretarial@scansteels.com
31. The recorded transcript of the forthcoming AGM on 29.09.2023 shall be maintained by the Company and also be made available on the website of the Company www.scansteels.com in the Investor Relations Section, at the earliest soon after the conclusion of the Meeting.
32. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

REGISTERED OFFICE:-

104-105, "E- Square", Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai - 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email - id: secretarial@scansteels.com

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-
Prabir Kumar Das
(President & Company Secretary)

Place: Bhubaneswar
Date: 25th August, 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

As required by Section 102 of the Companies Act, 2013, (hereinafter referred to as “the Act”) the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 3 to 4 of the accompanying Notice dated **25th August, 2023**

ITEM NO. 3

Background, details and benefits of the transaction - To ensure stability of supplies in terms of quality and logistics, your company may, in the ordinary course of its business, enter into contracts or arrangements with its related party as listed in the resolution on an arm's length basis for the purchase or sale of raw materials and finished goods, including services if any, for an aggregate amount not exceeding the limit as set out in the resolution as aforesaid. The purchase of materials from this company is dependent on the requirements of the company for its products from time to time and the ability of this company to supply the specified material. During the course of its business, the company also sells its products to this company. Karma-Re-Rollers Pvt. Ltd. has its own rolling mill in Cuttack, Odisha, and has a manufacturing unit in the same territory and region where your company has its dealer base for supplying finished steel, which makes it feasible for supplying finished steel to them on a continuous basis and uninterrupted supply, which in turn creates value for the said company and its cost proposition benefits to our dealers.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘SEBI Listing Regulations’**), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all material related party transactions (**‘RPT’**) individually or taken

together with previous transactions during a financial year that exceed 1,000 crore or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable even if the transactions are in the ordinary course of business of the concerned company and on an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction, which now includes a transaction involving a transfer of resources, services, or obligations between (i) a listed entity or any of its subsidiaries on the one hand and a related party of the listed entity or any of its subsidiaries on the other hand, or (ii) a listed entity or any of its subsidiaries on the one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not. Further, Section 188(1) of the Act, read with Rule 15(3) of the Companies (meetings of Board and its powers) Rules, 2014, requires that any transaction entered into between a related party where the amount involved is equal to or exceeds 10% of the turnover of the company be approved by the members of the company.

Even though approval of the Shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 (“Act”) read with the applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), for transactions (or for the specified transactions with the said company) which are in the ordinary course of the Company's business and are at arm's length basis, However, the proposed transaction would be in nature

of a material related party transaction under Regulation 23 of the Listing Regulations and also, the proposed transaction Expected to/meets the threshold prescribed under Regulation 23 of the Listing Regulations and Section 188 (1) of the Companies Act, 2013 read with rules 15(3) (a) of the companies (Meetings of Board and its Powers) Rules, 2014, it requires approval of the shareholders through an ordinary resolution for entering into contract(s)/ arrangement (s)/ transaction(s) on arm's length basis and in ordinary course of business with Karma-Re-Rollers Pvt. Ltd. ("Related Party") Up to a maximum amount of ₹ 500 Crore per Financial Year from the financial year 2023-2024 and onwards.

Further, it has been observed that the transaction value of the contracts in relation to the purchase and sale of goods and services (steel products, including allied services if any) will exceed the approval limits available to the audit committee or company because Scan Steels Limited and Karma-Re-Rollers Pvt. Ltd.'s sales plans are expected to increase over the last year. therefore The Audit committee and the Board of the Directors of the Company have considered these proposed exceeded arrangements and limits at their meeting held on 25.08.2023 and noted that these transactions are in the Ordinary Course of Business and are at arm's length basis, and have approved the proposed arrangements with the Related Party (i.e Karma-Re-Rollers Pvt. Ltd.) and have also decided to seek approval of shareholders by way of an ordinary resolution pursuant to section 188 of the Companies Act 2013 read with Rule 15 the Companies (Meeting of Board and its Powers) Rules , 2014 and Regulation 23

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Management has provided the Audit Committee with the relevant details, as required under law, of proposed RPTs. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Karma-Re-Rollers Pvt. Ltd. for an aggregate value of up to ₹ 500 crore to be entered during FY 2023-24 and onwards. The Audit Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

In accordance with Section 102(1) and a Proviso to Section 102(2) of the Act, the nature of the concern or interest, financial or otherwise, and the shareholding interest of every promoter, director, or KMP in the other entity to the extent that such shareholding is in excess of 2% of the paid-up capital of that company are required to be disclosed, which is as follows:

Promoter- Director Mr. Rajesh Gadodia holds 6.24% and Promoter Company's holds - Bayanwala Brothers Private Ltd. (27.63%), Artline Commerce Private Ltd. (0.75%) in the said company. The Company holds 7.50% of equity shares in Karma-Re-Rollers Pvt. Ltd. as on the date of this Notice.

The details as required under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 read with Following SEBI circular are as follows:

Name of the Related Party	Name of the Director/ KMP who is related/ Nature of Relationship/ Category of related Party Transaction	Nature, Duration and Particulars of the Contract	Material Terms, Monetary value and particulars of contract or Arrangement.	Any advance paid or received for the contract.	The Manner of determining the pricing and other commercial terms	Whether all factors relevant to the contract have been considered
Karma-Re-Rollers Pvt. Ltd.	One Director (Mr. Rajesh Gadodia) is Shareholder in the said Company RPTs under 2(76)(iv) (Details of Shareholding is given in the Exp. St.)	a) Nature of Transaction: Purchase / Sale of Steel Products. b) Duration: Continuous Basis c) Particulars of Contract or arrangement: Purchase / Sale of Steel Products, Including allied Services if any, in ordinary course of business.	a) Material Terms: at par on Arm's Length basis. b) Monetary Value: ₹ 500 Crore per financial year.	NIL	Market Value of the relevant material.	Yes

Information pursuant to SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 (Details of summary of information provided by the Management to the Audit Committee) read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014

Sr. No.	Description	Details
1	Value and tenure of the proposed transaction;	₹ 500 Crore per financial year. F.Y 2023-2024 and onwards on continuous basis
2	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	46%
3	Justification for why the proposed transaction is in the interest of the listed entity;	Please refer to "Background, details, and benefits of the transaction," which forms part of the explanatory statement to Item No. 3.
4	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity, if yes provide following: <ul style="list-style-type: none"> - details of the source of funds in connection with the proposed transaction; - where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> • nature of indebtedness; • cost of funds; and • tenure; - applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; - the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT. 	Not Applicable

5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	The said value is an estimated value derived after considering the volume of purchases and sales of goods and materials in a financial year. Your company did not rely upon any external report in relation to the proposed transaction.
6	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013, which forms part of this notice.

Further, the Listing Regulations, read with the Companies Act, require all related party transactions and subsequent modifications to require prior approval of the Audit Committee and all material related party transactions and subsequent material modifications to be approved by the shareholders through a resolution, and all related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Accordingly, all related parties of the company are not permitted to vote to approve the resolutions set out in Item No. 3 of this Notice, whether the related party is a related party to the proposed transaction or not.

Except for Mr. Rajesh Gadodia, none of the directors, key managerial personnel, or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution, except that they may be deemed to be concerned or interested in the proposed resolution to the extent of their shareholding in the company, if any.

On the basis of the review and approval of the Audit Committee, the Board is of the opinion that the aforesaid proposal is in the best interest of the company, and accordingly, the Board recommends the ordinary resolution set out at item No. 3 of the Notice for approval by the Members.

ITEM NO. 4

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. Based on the documents made available and the discussions held at the meeting of the Audit Committee on 13.05.2023, it considered and recommended the appointment and remuneration of the Cost Auditors to the Board of Directors (**'Board'**). The Board has, on the recommendation of the Audit Committee approved in their Meeting held on 13.05.2023 the appointment and remuneration of Messrs Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, as the Cost Auditor of the Company for the Financial Year 2023-24.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. The Board has fixed the remuneration payable to Cost Auditors for

Financial Year 2023-24 at ₹ 55000/- plus tax as applicable and reimbursement of out-of-pocket expense incurred, to conduct audit of Cost Records maintained by the Company in respect of all applicable products of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 4 of the Notice for the approval of the Members.

REGISTERED OFFICE:-

104-105, "E- Square", Subhash Road,
Opp. Havmor Ice Cream,
Vile Parle (E), Mumbai - 400057
CIN: L27209MH1994PLC076015
Web Site: www.scansteels.com
Email - id: secretarial@scansteels.com

BY ORDER OF THE BOARD
FOR SCAN STEELS LIMITED

Sd/-

Prabir Kumar Das
(President & Company Secretary)

Place: Bhubaneswar

Date: 25th August, 2023

**INFORMATION REQUIRED TO BE FURNISHED UNDER REGULATION 36 (3)
OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD-2]
FOR DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN FORTHCOMING
ANNUAL GENERAL MEETING.**

Name	Date of Birth and Age	Qualification	Experience	Position in the Company	Listed Co. (other than SSL) in which directors hold directorship and committee membership.			Share-holding In the Co.	Directors inter-se relation	Date of first appointment on the Board
					Directorship	Chair-person of Board committee	Members of Board Committee			
Mr. Praveen Patro	01.04.1973 50 Years	B-Tech (Electric)	having more than 25 years of industrial and business experience in steel sector. He is involved in Projects and operations of the Company	(Executive) Director-Project	Nil	Nil	Nil	Nil	Nil	30.05.2018

*None of the directors Specified above is the beneficial owner of the shares in the company. Also, there are no listed entities from which Mr. Praveen Patro has resigned in the past three years. Further, he is Not holding a directorship or Committee Membership in any other company other than Scan Steels Limited.

- ❖ The details of Board and Committee Meetings attended by the Director (wherever applicable) during the year 2022-23 are stated in the Corporate Governance Report which forms part of this Annual Report.
- ❖ Only two Committees namely, Audit Committee, Stakeholders Relationship Committee have been considered.
- ❖ The details of remuneration/Sitting Fees, (wherever applicable), are provided with other relevant Details mentioned in Board and Corporate Governance Report which forms part of this Annual Report.

STATUTORY REPORTS

2022-23

DIRECTOR'S REPORT

Dear Shareholders,

Your directors have pleasure in presenting **the Thirtieth Annual Report** of your Company together with the Audited Financial Statements for the year ended March 31, 2023.

FINANCIAL HIGHLIGHTS / RESULTS

Your directors take pleasure in presenting the 30th Annual Report on the business and operations of your Company along with the financial statements for the year ended 31 March, 2023.

(₹ in Lacs)

Financial Results	2022-2023	2021-2022
Total Income	109,677.52	100,233.60
Profit / (Loss) before Tax	2199.90	6,585.67
Less : Tax Expenses		
Current Tax	500.00	453.10
Deferred Tax (Charge)/ Credit	167.99	1,055.14
Profit After Tax	1531.90	5,077.42
Less : Prior Period Expenses	-	-
Net Profit/(Loss) for the year	1531.90	5,077.42
Add: Other Comprehensive Income	(19.14)	(8.43)
Total Comprehensive Income for the year	(19.14)	(8.43)
Surplus Brought Forward from last balance sheet	8076.42	2,999.00
Add: Earlier Year Adjustment (Tax)	-	-
Less: Adjustment for net carrying amount of tangible fixed assets	-	-
Balance at the end of the year (excluding comprehensive income)	9608.32	8,076.42

INDIAN ACCOUNTING STANDARD (IND AS)

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company has complied with the new Accounting Standards, IND AS in preparation of financial statements under Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect

from 1st April 2016. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

Accordingly, the Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April 2016 with the transition date of 1st April 2015 and the financial Statements for the year ended 31st March 2023 has been prepared in accordance with Ind AS.

RESULTS OF OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

Gross Turnover including other incomes for the year 2023 was stood at ₹ 1096.78 Lakhs which was around 9.42 % upward side in comparison to fiscal 2022. During the year the company initiated the trading of steel products and installation of new rolling mill and achieved a trading turnover of ₹ 7333.24 lakhs against ₹ 145.66 lakhs for last fiscal 2022. Your company continues with its focus on quality and strength of its products. Your Company has initiated steps to explore new markets in addition to developing existing ones.

The Company has produced 166075.280 metric tonnes (MT) and 177956.000 MT of MS Billets & Sponge Iron respectively in FY 2022-23, the same is increased by 15.41 % & [- 10.42%] respectively in comparison to the previous year. The company has installed a new rolling mill having an installed

capacity of 38 TPH within a existing facility located at Budhakata unit, in Odisha. The company is in the growth path by utilizing the better capacity installed.

The Company's sustained efforts towards back-end cost control, efficiency improvement measures, supported the insulation and limited the impact on the profitability margins. The Company's ability to better utilisation of capacities will help derive better margins out of the businesses. The outlook of each business has been discussed in detail in the 'Management Discussion & Analysis' which forms a part of this Annual Report.

PRODUCTION & TURNOVER / SALES

The production of steel product during the year under report, compared to the previous year is given below.

Item	Production (Qty in MT)		Turnover (Qty in MT)	
	Years ended 31 st March, 2023	Years ended 31 st March, 2022	Years ended 31 st March, 2023	Years ended 31 st March, 2022
Sponge Iron	1,77,956	1,98,663	44,356	75,456
MS Ingot/ Billet	1,66,075	1,43,894	59,174	43,974
Long and Flat Products	1,01,410	1,07,715	1,01,599	1,09,469

OUTLOOK

FY 2022-23 was a year of two halves. The first half witnessed high volatility in raw material costs, especially coking coal and energy, aggravated by supply chain bottlenecks. A series of aggressive interest rates hikes by major central banks to rein in runaway inflation dampened steel demand, leading to inventory build-up and softening steel prices. However, the third and fourth quarters saw improved sentiment with easing inflation and raw material costs, coupled with the reopening of China post its stringent 'Zero COVID' policy.

India too experienced high inflation for some time. Steel spreads came under pressure due to higher coking coal and other input costs. The imposition of export duty on steel in May 2022 made Indian steel uncompetitive in global markets while cheaper steel from overseas made its way into the country, putting pricing pressure on domestic steelmakers. However, buoyant steel demand in India throughout the year provided some respite. The withdrawal of export duty in November 2022 opened up opportunities to tap the overseas markets, though global demand remained a bit subdued.

India is forecasted to become a \$10 trillion economy by 2033, growing almost three times. As India accelerates its growth trajectory in its 'nation building' phase, steel demand is expected to see a step up. The National Steel Policy envisages India's installed crude steel capacity at 300 MTPA by 2030-31. Scan Steel's is striving to align with this progress.

India is the second-largest producer and consumer of crude steel globally with an installed capacity of ~160 MTPA at present. To meet the growing demand, the National Steel Policy (2017) envisages the country's steel capacity to grow to ~300 MTPA by FY 2030-31. Further, India's per capita finished steel consumption is significantly below the global average, which suggests a buoyant demand outlook. Near-term challenges exist especially in overseas markets, the long-term growth story of Indian steel remains intact with an estimated 8-10 MnT annual incremental growth in domestic consumption.

The Indian automotive industry has evolved over the past decade to emerge as one of the fastest-growing markets in the world. With steel accounting for the majority of raw material content in vehicles and the highest safety ratings becoming a top consideration in buying decisions, demand for Advanced High-Strength Steel (AHSS) has been steadily rising in India. Further, with high-tensile strength and optimal formability, AHSS enables a low-cost solution, compared to aluminium and carbon fibre, to achieve 5-star safety ratings.

According to a NITI Aayog report, India is likely to be the world's manufacturing hub for low-emission steel by 2030 and pave the way for wider adoption globally. Traditional coal-based production methods such as blast furnace/basic oxygen furnace and electric arc furnace (EAF) are being replaced with technologies like DRI and gas turbine generators

The fourth industrial revolution, Industry 4.0 is underway, and the steel industry is also witnessing the increased deployment of artificial intelligence (AI), Industrial IoT, AR/VR, and machine learning, among others, into everyday practices to make manufacturing smarter, safer, and more efficient.

As we forge ahead, guided by our unwavering commitment to excellence and sustainability, we remain steadfast in our pursuit of contributing to the growth and development of the Indian economy. We will continue to embrace innovation, pursue responsible business practices, and create value for all our stakeholders.

MARKETING ARRANGEMENT

The Company has a Well-organized Marketing Department We have around very good market share in Odisha and also catering to outside states. We are in the process of expanding our market plan in India by appointment of Dealers at other major cities across India. We also directly sell to the Customers through our Marketing staffs and agents.

ENVIRONMENT

Scan Steels's commitment to excellence in Health, safety, and the environment is one of the company's core values. The company complies with the Laws and Regulations first, then goes beyond the mandate to keep our planet safe for future generations. We firmly believe that sustainable waste management practises are essential for safeguarding the planet's future. Minimising the environmental impact of our operations assumes the utmost priority. We remain committed to reducing our environmental footprint and fostering a cleaner, greener, and more sustainable future for all.

As the world moves to a low-carbon economy, it will always remain a challenge to decouple growth from emissions in a hard-to-abate sector like ours. We are dedicated to preventing and

mitigating air pollution by enhancing the efficiency of our operations and reducing emissions. We strictly adhere to emission regulations, ensuring our emissions remain within legal limits, and continually strive to surpass these standards.

As a responsible organisation, we understand the significance of nurturing a safe and pristine environment and safeguarding the invaluable ecosystems that support us. Following a proactive approach, we have embraced innovation, adopted the best available technologies, and implemented operational changes to mitigate long-term environmental risks and promote sustainability. Further, we remain focused on reducing our emission intensities through the establishment of a robust environment management system and conscious efforts by prioritising actions such as energy transition towards renewable energy, adoption and promotion of efficiency improvements in energy consumption, process optimisation, increased use of available scraps, and supporting circularity through better resource management, Planting more and more trees, efficiently managing water resources, and minimising waste generation. Dedicated to advancing on the path of decarbonization guided by well-defined targets. We strive to be recognised for promoting sustainable practises in our industry.

CLIMATE CHANGE

Climate change is a global phenomenon with far-reaching consequences for various sectors, including steel. Rising temperatures, extreme weather events, and shifting climate patterns pose significant challenges to steel production and its environmental impact. Being part of the steel industry, we are cognizant of this. As the need to combat climate change becomes more urgent, the steel industry is facing increasing pressure to reduce its carbon footprint, adopt cleaner technologies, and embrace sustainable practises. Balancing the demand for steel with

the imperative to mitigate climate change poses a critical challenge as well as an opportunity for the future sustainability of the industry. The shift towards sustainable energy sources is a global phenomenon that is gaining momentum. It presents a major opportunity for businesses that have traditionally relied on non-renewable energy sources to rethink their energy mix and plan for the future. With the rising cost of energy and the growing demand for a better standard of living, companies must take measures to ensure they can access affordable and sustainable energy to power their operations.

As a heavy industry, steel manufacturing involves a complex series of processes that produce significant amounts of noise, dust, fumes, smoke, and odours, all of which have the potential to affect local communities. As a responsible steel maker with a decided focus on sustainability, we proactively contribute to worldwide efforts to address climate change. We have developed a strong roadmap for reducing our carbon footprints, setting well-defined targets, and measuring our progress. We are committed to reducing our carbon footprint by adopting energy-efficient technologies that minimise our overall energy consumption. In addition, we are actively working towards incorporating renewable energy sources into our energy mix. By doing so, we are not only reducing our impact on the environment but also conserving valuable resources.

RESEARCH AND DEVELOPMENT

The competitive business environment in which the Company operates makes innovation imperative for success of the business. Recognizing the need to improve, expand and innovate, the Company is concentrating efforts on research and development of alternate materials and new products.

The Company has started working on the technology roadmap that aligns with its vision of becoming a leader among the innovation driven

organizations. Venturing into new market areas is another focus area for research and development and accordingly, a number of new product developments have been targeted. R&D continues to help the Company in its drive to become more sustainable and more environmentally friendly.

DIVIDEND

For the F.Y 22-23 your Board of Directors has not recommended any dividend on equity shares as well as on preference shares as your company has installed a new rolling mill having 38TPH capacity towards business expansion at a cost of Rs. 3339.94 lakhs out of own fund.

PROSPECTS

In terms of Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on the Management Discussion and Analysis covering prospects is provided as a separate section in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion & Analysis as required in terms of the SEBI Listing Regulations is provided as a separate section in the Annual Report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not recommend any dividend therefore there were no such funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

TRANSFER TO RESERVE

During the financial year 2022-23, no amount has been transferred to reserve account.

CONSOLIDATED FINANCIAL STATEMENT

As per the definition in the Companies Act, 2013 ("the Act") and Ind AS - 110 on Consolidated

Financial Statements read with Ind AS - 28 on Investment in Associates and Ind AS-31 Interest in Joint Venture, the company does not have any investment in the Subsidiary Company, Joint Ventures Company or any other Associates Company therefore the Consolidation of Financial Statements is not applicable.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Associates and Joint venture Companies there by; there are no details to be provided under [Rule 8 of the Companies (Accounts) Rules, 2014]. Read with section 129 (3) of the Companies Act, 2013. during the year under review, no company has become or ceased as subsidiary, associate or joint venture companies.

FIXED DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Pursuant to Section 73, 74 & 76 Rule 8(5)(v) of Companies (Accounts) Rules, 2014. The details relating to deposits, covered under Chapter V of the Act are as follows: -

- a. accepted during the year – `Nil
- b. remained unpaid or unclaimed as at the end of the year – Nil
- c. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved –
 - i. at the beginning of the year - Nil
 - ii. maximum during the year - Nil
 - iii. at the end of the year - Nil

There was No default in repayment of deposits or payment of interest thereon during the year by Company and accordingly No details to be provided by the Company in this regard.

The details of deposits which are not in compliance with the requirements of Chapter V of the Act –

Your Company has not accepted any deposits which are not in Compliance with the requirement of Chapter V of the Act.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there are no changes in the nature of business. The Company is continuing into the Steel Manufacturing Business.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

INTERNAL CONTROL SYSTEMS AND AUDIT OVERVIEW

The Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies.

INTERNAL CONTROL

The Company has a proper and adequate system of internal control commensurate with the size and nature of its business. Internal control systems are integral to the Company's corporate governance policy.

Some of the significant features of internal control systems include:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.

- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising majority of Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.
- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

As per the Regulation 9A - Institutional Mechanism for Prevention of Insider trading via Notification 31.12.2018 SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018 below mentioned points also included in internal controls:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

INTERNAL AUDIT

The Company has a strong internal audit department reporting to the Audit Committee comprising Directors and Independent Directors who are experts in their field. The scope of work, authority and resources of Internal Audit (IA) are regularly reviewed by the Audit Committee and its work is supported by the services of M/s. Dalaniya & Associates, the Internal Auditor of the Company.

The Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Through IA function the Board obtains the assurance it requires to ensure that risks to the business are properly identified, evaluated and managed. IA also provides assurance to the Board on the effectiveness of relevant internal controls.

Audit plan and execution

Internal Audit department has prepared a risk-based Audit Plan. The frequency of audit is decided by risk ratings of areas functions. The audit plan is carried out by the internal team. The audit plan is reviewed periodically to include areas which have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company.

In addition, the audit committee also places reliance on internal customer feedback and other external events for inclusion of areas into the audit plan.

INTERNAL FINANCIAL CONTROLS

As per Section 134 (5) (e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems and framework of internal financial controls. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. To enable them to meet these responsibilities, the Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls. These are in turn reviewed at regular intervals.

The Company has developed a framework for designing and assessing effectiveness of internal controls over financial reporting and Financial Statements and has already laid down entity level policies and process level standard operating procedures.

The entity level policies comprise anti-fraud policies (code of conduct, including conflict of interest, confidentiality and whistle-blower policy) and other policies (organization structure, roles and responsibilities, insider trading policies and code of conduct, HR policy, related party policy, prevention of sexual harassment policy, IT security policy, business continuity and disaster recovery

plan and treasury risk management policy). The Company has also prepared Standard Operating Practices (SOP) for each of its processes of revenue to receive, procure to pay, hire to retire, finance and accounts, fixed assets, treasury, inventory, manufacturing operations, and administrative expenses.

Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and during the year, such controls were tested and no reportable material weakness in the design or operation were observed and such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

SEBI carried out amendments to the SEBI (LODR) Regulations, 2015 (SEBI Listing Regulations) vide the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 wherein certain amendments into force from April 1, 2022 while remaining would come into force from April 1, 2023.

Regulation 23(1) and (4) states that all RPTs with an aggregate value exceeding ₹ 1,000 crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall be treated as Material Related Party Transaction (MRPTs) and shall require approval of shareholders by means of an ordinary

resolution. The provisions of Regulations 23(4) requiring approval of the shareholders are not applicable for the RPTs entered into between a holding company and its wholly owned subsidiary and RPT transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transactions which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

Accordingly, RPTs of the Company and RPTs of the subsidiary entities exceeding the threshold of ₹ 1,000 crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of the Shareholders of the Company with effect from April 1, 2022.

(Note: Company has no subsidiaries hence provisions related to subsidiary companies are not applicable.)

All contracts / arrangements / transactions entered by the Company during the financial year with related parties referred to in Section 188 (1) of the Companies Act, 2013 read with SEBI Listing Regulations were approved by Audit Committee and were in the ordinary course of business and on an arm's length basis and Detail of which is furnished in the Annexure 'A' in Form AOC-2 attached with this Report in compliance with Section 134 (3) (h) read with 188 (2) of the Companies Act, 2013.

Further, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee (read with SEBI LODR 3rd amendment Reg. 2021) as also the Board for approval.

The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed, Standard Operating Procedures for purpose of identification and monitoring of such transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Moreover, on the recommendations of the Audit Committee, your Board time to time revised the Policy on Related Party Transactions to incorporate the regulatory amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provisions of the Companies Act, 2013. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://scansteels.com/policies-and-code/> - Investor Relations Segment.

The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

All Related Party Transactions are placed before the Audit Committee for review and approval (read with SEBI LODR 3rd amendment Reg. 2021). All Related Party Transactions are subjected to independent review by a reputed accounting firm

to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your directors draw attention of the members to Note No. 32 to the financial statement which sets out related party disclosures.

ISO 9002 CERTIFICATION

Your company is having status of ISO 9001, ISO 14001 and ISO 18001 certification, which is internationally recognized for the production, quality control and Environmental as well as OHSAS respectively.

CREDIT RATING

During the year, the rating of the company has been re-affirmed to IVR BBB+/Negative Outlook (IVR Triple B Plus with Negative Outlook) for Long Term Debt and Fund Based Facilities and IVR A2 (IVR A Two) for Short Term Non-Fund based Facilities from Informerics Valuation and Rating Pvt Ltd.

The Ratings derives strength from the experienced promoters and management team, long track record and established presence in the steel making, diversified product portfolio, growth in scale of operation along with moderate capital structure and debt protection metrics.

AUTHORITY TO DETERMINE MATERIALITY OF AN EVENT AND DISCLOSURE OF THE SAME TO STOCK EXCHANGE UNDER REGULATION 30(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

Mr. Ankur Madaan, Whole- Time Director, of the Company, and Mr. Prabir Kumar Das, Company Secretary and Compliance Officer of the Company and Mr. Gobinda Chandra Nayak, Chief Financial Officer of the Company authorized by the Board for the purpose of determining the materiality of an

event or information, in terms with the Company's Policy on disclosure of material event/ information and archival policy to comply with the Provisions of Regulation 30 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are jointly and severally authorized to make necessary disclosure to stock exchanges regarding the same on behalf of the Company.

BRANDING INITIATIVE

The "SHRISTII" brand for its TMT bars is well accepted in the market in varied segments and sectors with wide customer base.

For us, the central focus of all our marketing and branding efforts is the customer. There is a strong emphasis on expanding our presence across various sectors and elevating the brand's worth through carefully crafted marketing initiatives that aim to increase awareness and consideration. Our marketing strategy aligns seamlessly with our organisational objective of emerging as the one of the leading producer in the market, specialising in premium products that provide exceptional value to our customers.

INSURANCE

The Assets of the company are adequately insured against the loss of fire, riot, earthquake, loss of profit etc, and other risk which is considered by management, in addition to this coverage, a statutory public liability insurance policy has been taken by the company for providing coverage against the public liability arising out of industrial accidents for employees working in plants.

CUSTOMER RELATIONSHIP

Customers are valuable aspects of our business. We organise customer meetings and events from time to time to interact with our customers, recognise their needs, and hold satisfaction surveys to get their valuable feedback. We also keep in touch with them through Customer visits, phone calls, emails, and meetings. We focus

on Timely delivery, a wide range of high-quality products that meet customer requirements at Competitive pricing, and post-sales support. We emphasise areas like Easy availability through a large distribution network, Value-added products, Offerings based on solutions, Sustainable and low-carbon steel, Human rights and safety, warranties, and quality assurances.

FINANCE

During the year, the company has availed a term loan in the tune of ₹ 30 Lakhs from the lenders towards purchase of vehicle & equipment.

BANKERS AND CONSORTIUM ARRANGEMENT

The Company has a consortium arrangement with its bankers with State Bank of India and Punjab National Bank. The State Bank of India is the lead bank. This consortium arrangement is well defined and takes care of the company's credit facility requirements from time to time. The consortium meetings are held quarterly on a regular basis, and they also visit the company's plant from time to time as per their requirements.

SAFETY

At Scan Steel, health and safety continue to be of the utmost priority. We strive to maintain a secure, safe, and healthy environment for our workforce, partners, and the communities we serve. We have established strong safety systems that ensure the well-being of our workforce. These systems are designed to identify and mitigate risks. We constantly strive to achieve our ultimate goal of zero harm, zero major incidents, and zero injuries. With effective leadership, robust systems, and a competent workforce, we aspire to be recognised as one of the safest organisations in the coming years, where the implementation of the 'highest standards of safety leads to the greatest levels of productivity.

The company is unwavering in its policy that "safety of persons overrides all production targets, which

drives all employees to continuously break new ground in safety management for the benefit of the people, property, environment, and communities in which Scan Steels operates. Our dedicated measures include conducting a Risk Assessment, identifying significant environmental aspects of all manufacturing plants, and signing a commitment to Responsible care.

The greatest emphasis is given to safety measures aimed at minimising accidents and incidents. With this backdrop, the overall safety performance of the Company improved, and the Company reported no fatalities during the year. Good safety performance is being rewarded.

CYBER SECURITY

For us, cybersecurity is a top priority. As we embed digitalization into our operations, our business is more susceptible to cyber threats. We have meticulously devised ways through which we can protect our business and our stakeholders through various vulnerability and breach assessments, keeping ourselves updated as per industry best practises. This is overseen by the Risk Management Board Committee.

HUMAN RESOURCE DEVELOPMENT AND PERSONNEL

The Company's Human Resources (HR) management practices ensure fair and reasonable process that are compliant with regulatory and governance requirements. Processes that endured the uncertainty of the last two-Three years and utilised it as a competitive advantage to enable continuous progress. The company has been given much emphasis on Human Resources Development and thus has been well recognized in the steel industrial for sound Human Resources Management.

Safety, diversity, inclusion, and overall employee growth are the important values of the organisational culture. Over a period of time, we

have built and nurtured a dedicated and excellent workforce and also recruiting new people in order to meet the revival plans of the company. The Company has emerged as a true national firm with cosmopolitan atmosphere.

The company's HR polices and remuneration practices aim to attract and retain top talent, thus supporting the Company's long-term strategy and driving a sustainable performance. Finding, retaining and developing the right talent has always been a core strategy in order to maintain high-productivity and a value-driven organisational culture. We also believe in Women Empowerment and encourage women employees to come forward and take a lead. The HR policy is well aligned to effectively suit its expanding business horizons and future manpower requirement.

We continued to focus on building, nurturing and retaining a talented workforce during the year. This has been achieved by continuously stressing upon training & development, empowerment and aids them with tools that help in continuously learning and the development of new skills and creating a compelling work environment and maintaining well-structured reward & recognition mechanism. Company is committed to the welfare of its people and their families and to improve the quality of their life by providing the required facilities. During the year under the review, industrial relations at all units of the Company continued to be cordial and peaceful.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and Thereby playing a pro-active role in the socioeconomic

growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes in to account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) well at par with its business, with the objective of creating wealth in the community with focus on education, health, animal welfare, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The Corporate Social Responsibility Committee (CSR Committee) Composition and Terms of reference of which is detailed in the Corporate Governance Part of this Annual Report, has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified Following focus areas of engagement:

- **Rural Transformation:** Creating sustainable livelihood solutions, Infrastructure support for rural development, addressing poverty.
- **Animal Welfare:** Aim to address material issues for each livestock industry. disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling, and humane Slaughter.
- **Health:** Affordable solutions for healthcare through improved access, awareness and health seeking behaviour. Eradicating hunger, poverty and malnutrition, promoting preventive health care and making available safe drinking water.

- **Education:** Access to quality education, promoting education including special education to poor children in rural area. Improving literacy amongst the children, women, elderly and the differently abled, training and skill enhancement, career guidance, Specially in Nearby Villages where the Plants of the Company Located.
- **Environment:** Environmental sustainability, ecological balance, conservation of natural resources.
- **Water:** The Company makes affordable solution for water crises in the local area.

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act as amended.

The CSR activities are monitored by internal / CSR Committee. As per the CSR policy, progress of the CSR activities is reviewed periodically or as and when needed by the Board-level CSR Committee, as well as by the management at the sites. Also, The Company through its Board and the CSR Committee follows a comprehensive approach to deliver socially inclusive and holistic interventions that help create equitable opportunities for the underprivileged and contribute to nation building.

The disclosures required to be made as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 or Details of CSR expenditure spent During the financial year 2022-23 by the Company is annexed to this report as **Annexure 'B'**.

Pursuant to the Companies (Corporate Social Responsibilities Policy) Amendment Rules, 2021, Company has adopted a revised CSR policy in line with the above amendment. The policy has been approved by the Company's Board of Directors and the same is available on the website of the Company at <https://scansteels.com/wp-content/uploads/2023/06/CSR-POLICIES.pdf>

RISK MANAGEMENT

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholder's interest, to achieve its business objectives and enable sustainable growth. The risk frame work is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes.

The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans. Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has constituted a sub-committee of Directors to oversee Enterprise Risk Management Framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately.

The Audit Committee has additional oversight in the area of financial risks, controls and Internal Audit reviews. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

The Company's risk intelligent culture enabled it to manage the uncertainties in an unprecedented business environment during the year under review. "Scenario-based risk assessment" is facilitated across the company in any uncertain circumstances. Further, business decisions were pivoted to achieve cash neutrality in operations by reducing spend, managing working capital and reducing capital expenditures.

Implementation of focussed risk mitigation strategies along with improvement in the domestic macro environment has improved the Company's risk profile in the financial year 2022-23. Despite the challenges posed by the competitive environment, the company has tried to maintain its liquidity position and has adequate resources to service the debt.

The Company continues to be vigilant specifically after pandemic situation to proactively manage risks, as they emerge in financial year 2023-24. Health and safety of employees and the communities in the vicinity of our operations, continues to be the top-most priority for the Company, whilst simultaneously ensuring continuity of our business operations.

The Company had developed and Implemented a Risk Management Policy which was reviewed and approved by the Committee and Board, which can be accessed on the website of the Company at <https://scansteels.com/wp-content/uploads/2022/08/RISK-MANAGEMENT-POLICY..pdf> Investor Relations Segment.

CORPORATE GOVERNANCE

Transparency is the cornerstone of your Company's philosophy and all requirements of Corporate Governance are adhered to both in letter and spirit. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. All the Committees of the Board of Directors meets at regular intervals as required in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory requirements. The Directors and Key Management Personnel of your Company have complied with the approved

'Code of Ethics for Board of Directors and Senior Executives' of the Company.

The Report on Corporate Governance as required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The Auditors' Certificate on compliance with Corporate Governance requirements is also attached to Directors Report as Annexure 'H'. Further as required under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from the Whole- Time Director & CFO is being annexed with this Annual Report.

SHARE CAPITAL

ISSUED/SUBSCRIBED/PAID UP CAPITAL

The authorized share capital of the Company is ₹ 70,00,00,000/- (Rupees Seventy Crores only) divided into 5,50,00,000 (Five Crore Fifty Lacs) equity shares of ₹ 10/- (Rupees Ten) each and 1,50,00,000 (One Crore Fifty Lacs only) Non-cumulative Redeemable Preference Share of ₹ 10/- (Rupees Ten) each.

The paid-up equity share capital as on March 31, 2023 and as on date is ₹ 52,35,22,950 (Fifty Two Crore Thirty Five Lakhs Twenty Two Thousand Nine Fifty) divided into 5,23,52,295 (Five Crore Twenty Three Lakhs Fifty Two Thousand Two Hundred Ninety Five) fully paid up Equity Shares of ₹ 10/- (Rupees Ten Only) each and the preference share capital is ₹ 12,84,96,050/- (Twelve Crore Eighty Four Lacs Ninety Six Thousand Fifty) divided into 1,28,49,605 (One crore Twenty Eight Lacs Forty Nine Thousand Six Hundred Five only) fully paid up NCRPS of ₹ 10/- (Rupees Ten) each.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Praveen Kumar Patro (DIN: 02469361), retires by rotation at the forthcoming Annual

General Meeting and being eligible, offers himself for re-appointment.

Mr. Praveen Patro is not related to any of the Directors of the Company. Brief resume and nature of his expertise in specific functional areas are provided in Corporate Governance Report. Names of companies in which he holds directorships and memberships/ chairmanships of Board Committees and his shareholding and other information of the concerned director(s), in terms of the Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard on General Meetings ("SS-2") is provided under the explanatory statement as an annexure in the notice convening the forthcoming Annual General Meeting.

Suitable resolution(s) for appointment / reappointment of Director(s), as referred above, will be placed for approval of the members in the forthcoming Annual General Meeting, The Board of Directors recommends his re-appointment.

- During the year under review (2022-2023) (at the 29th Annual General Meeting of the Company) Mr. Praveen Kumar Patro (DIN: 02469361) was appointed as an Executive Director of the Company designated as Director - Project, for a second term of 5 (five) consecutive years with effect from 30th May 2023 to 29th May 2028

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Amendment Rules from time to time, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank and have cleared the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Further, there were no changes in the Key Managerial Personnel of the Company during the year under review.

The following policies of the Company are attached herewith marked as **ANNEXURE 'C'** and **ANNEXURE 'D'**: a) Policy for selection of Directors and determining Director's independence; and b) Nomination and Remuneration Policy.

KEY MANAGERIAL PERSONNEL

Mr. Ankur Madaan, Whole Time Director, Mr. Prabir Kumar Das, President & Company Secretary and Mr. Gobinda Chandra Nayak, Chief Financial Officer are the Key Managerial Personnel of your company in accordance with the provision of Section 2(51) and 203 of the company's act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with SEBI (LODR) Regulations, 2015. During the year under review, there has been no change in Key Managerial Personnel.

Company's policy of appointment and remuneration for directors, KMP and other employees including criteria for determining qualifications, positive attributes, director's independence (read with Sections 178 (1) (3) (4))

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors

include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As at March 31, 2023 the Board of Directors comprises 6 Directors, of which 4 are non-executive, including one women director. The number of Independent Directors is 3, which is one half of the total number of Directors.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure 'C'** and is attached to this report.

Further, Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is furnished in Annexure 'D' and is attached to this report. During the year under review, there were no substantive changes in the Policy except to align the Policy with amendments made to applicable laws.

Declaration by Independent Director(s)

As required under section 149(7) of the Companies Act, 2013, The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and / or to qualify themselves to be appointed as an Independent Directors as prescribed both under Section 149 (6) of the Companies Act' 2013 and Regulation 16(1) (b) read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board considered the

independence of each of the Independent Directors in terms of the above provisions and is of the view that they fulfill/meet the criteria of independence. The declarations are put up on the website of the Company at <https://scansteels.com/wp-content/uploads/2023/05/DECLARATION-BY-ID-1496.pdf> - Investor Relations Segment.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Familiarisation Programme for Independent Directors.

All New Independent Directors (IDs) whenever inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of our operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure, Board constitution and Procedures, matters reserved for the Board, and our major risks and risk management strategy. Visits to Plant and Factory locations are organized for the IDs to enable them to understand the business better.

The company familiarises the New and Existing Independent Directors of the Company from time to time with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. and also, by updating them about

latest amendments in Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Laws related to Company. Details of Same are put up on the website of the Company at <https://scansteels.com/wp-content/uploads/2023/06/DETAILS-OF-FAMILIARISATION-PROGRAMMES.pdf> - Investor Relations Segment.

Separate Independent Director Meeting

In term of requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the independent directors ("Annual ID meeting") was convened on 31st January, 2023 and All the Independent Directors were present at the said Meeting.

The Independent Directors at the meeting reviewed the following:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairperson of the Nomination Remuneration Committee with the Board covering performance of the Board as a whole, performance of the non-independent directors and performance of the Board Chairman. In addition to formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

BOARD ANNUAL EVALUATION

Pursuant to Regulation 17(10) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and in compliance with the Section 134(3) (p) Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The Board carried out an annual performance evaluation of its own performance, the individual Directors, as well as the evaluation of the working of the Committees of the Board pursuant to the provisions of the Act and SEBI Listing Regulations. The performance evaluation of the Chairman, Whole- Time Director and the Non- Independent Directors was carried out by Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board in compliance with the Companies Act, 2013. The performance evaluation of all the Directors/ its committees and / or Board as a whole was also carried out by the Nomination and Remuneration Committee and NRC also review its implementation and compliance. Details of the same are given in the Report on Corporate Governance annexed hereto.

The Chairman of the Board had one-on-one meetings with the IDs. The Chairperson of the Nomination and Remuneration Committee (NRC) held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as on each of the other Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and structure and quality of the Board,

time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance and effectiveness of board processes, information and functioning were taken into consideration. Committee performance was evaluated by the Board on the basis of their effectiveness in carrying out respective mandates, and after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc..

A separate exercise was carried out to evaluate the performance of Independent Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution to Board deliberations, independence of judgment, safeguarding the interest of the Company and focus on creation of shareholders value, ability to guide the Company in key matters, attendance at meetings, etc. The Executive Directors were evaluated on parameters such as strategy implementation, leadership skills, quality, quantity and timeliness of the information flow to the Board, etc.

The Board considered and discussed the inputs received from the Directors. Further, the IDs at their meeting reviewed the performance of non-Independent Directors, Board as a whole and Chairman of the Board after taking into account views of Executive Directors and Non-Executive Directors.

The Directors expressed their satisfaction with the evaluation process.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic

information to enable the Board Members to discharge their responsibilities.

The Detailed Policy on Performance Evaluation of Independent Directors, Board, Committees and other individual Directors can be accessed from the website of the Company at <https://scansteels.com/wp-content/uploads/2016/06/PERFORMANCE-EVALUATION-POLICY-FOR-BOD.pdf> - Investor Relations Segment.

MANAGERIAL REMUNERATION:

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

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The following disclosures have been mentioned in detail under the heading "Corporate Governance", part of this Annual Report: —

- (i) all elements of remuneration package such as salary, benefits, etc., of all the directors;
- (ii) details of fixed component and performance linked incentives along with the performance criteria;
- (iii) service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as

the period over which accrued and over which exercisable.

CODE OF INDEPENDENT DIRECTORS - SCHEDULE - IV

The Board has considered Code of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The code is a guide to professional conduct for independent directors' adherence to these standards by independent directors and fulfillment of their responsibility in a professional and faithful manner will promote confidence of the investment community and regulators.

The broad items for code for independent directors are:

- (i) Guidelines for Professional conduct.
- (ii) Role and Functions.
- (iii) Duties
- (iv) Manner and process of appointment.
- (v) Re-appointment on the basis of report of performance evaluation.
- (vi) Resignation or Removal.
- (vii) At least one Separate meeting of Independent Directors in a year without attendance of non independent directors or members of management.
- (viii) Evaluation mechanism of Independent Directors by entire Board of Directors.

The Detailed Code of Conduct of Independent Directors of the Company and Code of Conduct for Board of Directors and Senior Management of the Company can be accessed on the website of the Company at www.scansteels.com - Investor Relations Segment.

BOARD DIVERSITY

Board diversity is the breadth of perspective, not the mere of various diverse traits that will benefit the organization. The Company believes

that a diverse Board will enhance the quality of the decision made by the Board by utilizing the different thoughts, perspectives, skills, qualifications, experience, knowledge, region and industry experience, cultural and geographical background, age, ethnicity, race, and gender, etc. of the Board members necessary for achieving sustainable and balanced development. The Board Diversity Policy has been adopted by the Company and sets out its approach to diversity. The Board Diversity Policy is available on the website of the Company viz. <https://scansteels.com/wp-content/uploads/2022/12/POLICY-ON-BOARD-DIVERSITY.pdf>

SCAN STEELS'S CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. As well as the consequences of violation. The Policies/Code has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives in terms of Regulation 9 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated in terms of Regulation 8 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information, or Suspected Leak of Unpublished Price Sensitive Information in terms of Regulation 9A the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, and

Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015 is available on our website at <https://scansteels.com/ssl-policies/-Investor-Relations-Segment>.

COMPLIANCE WITH CODE OF ETHICS FOR BOARD OF DIRECTORS AND SENIOR EXECUTIVES

All Directors and Senior Management Personnel have affirmed Compliance with the Code of Ethics for Board of Directors and Senior Executives. A Declaration to that effect is attached with The Corporate Governance Report.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Directors' Responsibility Statement Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors and including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2022-23.

Accordingly, Pursuant to the requirements under section 134(3)(c) and 134(5) of the Companies Act, 2013, your directors hereby state and confirm that —

- a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with

requirements set out under Schedule III to the Act (as amended from time to time) have been followed and there are no material departures from the same;

- 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 as at March 31, 2023 and of the profit and loss of the company for the year ended on that date;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- 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.

AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITORS

At the Company's 21st AGM held on 30.12.2014, M/s. SRB & Associates (Firm's Registration No. 310009E), Chartered Accountants, Bhubaneswar, were appointed as the Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of the 21st Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company.

The Board of Directors at its meeting held on 30th May, 2019 had recommended the re-appointment of M/s. SRB & Associates, Chartered Accountants, Bhubaneswar, for the Second Term and they were re-appointed with Member's approval sought at the 26th AGM for the second term of 5 (five) consecutive financial years i.e., up to 2023-24. And CA K P Swain, CP No 306323, Chartered Accountant has been authorized as an auditor on behalf of the firm to conduct the audit as per the Act.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

Statutory Auditors continue to satisfy the criteria provided in section 141 of the Companies Act, 2013 read with Cos. (Audit & Auditors) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force.

No frauds have been reported by the Auditors under Section 143 (12) of the Companies Act, 2013 requiring disclosure in the Board Report as per section 134(3)(ca) of the Act..

AUDITORS' REPORT

Auditors did not emphasize on any matter on which directors were required to give any explanation; hence, no details regarding the same are to be provided. All other observations made by the Statutory Auditors in their report for the financial year ended 31st March 2023 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditor's Report for the year under review does not contain any qualification, reservation, adverse remark, or disclaimer.

COST AUDITORS

Pursuant to Section 148 (1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is also required to get its cost accounting records audited by a Cost Auditor Accordingly, the Board at its meeting held on May 13, 2023 has on the recommendation of the Audit Committee, re-appointed M/s. Ray, Nayak & Associates, Partner CMA. Chaitanya Kumar Ray, Cost Accountants, having office at MIG-26, Manorama Estate, Rasulgarh, Bhubaneswar - 751010 (Odisha), as the Cost Auditors of the Company to conduct the audit of the cost accounting records of the Company for the financial year 2023-24 on a remuneration of ₹ 55,000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

M/s. Ray, Nayak & Associates have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The Cost Audit Report for the financial year ended 31st March, 2022 was filed in XBRL mode on 22nd September, 2022.

SECRETARIAL AUDITORS AND AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Amarendra Mohapatra & Associates., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the FY 2022 - 23. The Report of the Secretarial Audit carried out by M/s. Amarendra Mohapatra & Associates is annexed herewith as **Annexure "E"**.

The Board at its meeting held on May 13, 2023, has re-appointed M/s. Amarendra Mohapatra & Associates, Prop. CS. Amarendra Mohapatra, a Practicing Company Secretary (CP No- 14901) having office at House No. 56/1, MIG II, Phase I, Chandrasekharpur Housing Board Colony CS. Pur, Bhubaneswar, Odisha - 751016, as Secretarial Auditor, of the Company for F.Y. 2023-24 to undertake the Secretarial Audit of the Company Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

Further, The Company has also undertaken an audit for the FY 2022- 23 Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/ Guidelines issued thereunder.

The company has received Annual Secretarial Compliance Report issued by M/s. Amarendra Mohapatra & Associates, Prop. CS. Amarendra Mohapatra, Practicing Company Secretary for the Year ended on 31st March, 2023 which was duly filed with Bombay Stock Exchange Limited. The

same can be accessed at <https://scansteels.com/wp-content/uploads/2023/05/MARCH-2023.pdf>

The Annual Secretarial Compliance Report and Secretarial Audit report contains No observation or qualification requiring explanation or comments or action to be taken by the Board under Section 134(3)(f)(ii) of the Companies Act, 2013.

INTERNAL AUDITORS

on the recommendation of the Audit Committee, The Board at its meeting held on 25th August, 2023 has appointed M/s. P.A. & Associates; Chartered Accountants, having office at – 2nd Floor, Balaji Towers, G.M. Collage Road, Sambalpur – 768001 (Odisha), PAN No. of the Firm – AAFFP2414G, ICAI Registration No. 313085E, as an Internal Auditor of the Company for the financial year 2023-24, pursuant to Section 138 of the Companies Act, 2013 read with Rule No. 13 of the Companies (Accounts) Rules, 2014.

AUDIT COMMITTEE.

Audit Committee is constituted as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Composition of Audit Committee is as per Section 177 (8) of Companies Act, 2013. The Prime Objective of the Committee is to monitor and provide effective supervision of the Management 's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and to review matters related to SEBI (Prohibition of Insider Trading), Regulations, 2015.

Audit Committee, comprises Majority of Independent Directors. The Audit Committee oversees the Company's financial reporting process, approves related-party transactions and regularly reviews financial statements, changes in accounting policies and practices if any, audit plans, significant audit findings, adequacy of internal

controls, compliance with accounting standards, appointment of statutory auditors among others. Composition, Terms of reference and Details of Meeting of the Committee is explained in Detail in the Corporate Governance Part of this Annual Report.

There was no recommendation as such in the Financial Year 2022-2023 from the Audit Committee which was not accepted by the Board.

VIGIL MECHNISM

In pursuance of Section 177(9) of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Vigil Mechanism has been Constituted for directors and employees to report genuine concerns and Audit committee shall oversee the vigil mechanism through the committee and provide adequate safeguards against victimization of employees and directors who availed of the vigil mechanism and have a direct access to the chairman of the audit committee in exceptional case. In case of repeated frivolous complaints being filed by the director or an employee the audit committee may take suitable action including reprimand if necessary.

Further, Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, can be accessed from our website at <https://scansteels.com/wp-content/uploads/2023/01/SCAN-STEELS-LIMITED-WB-OR-VM-POLICY.pdf> - Investor Relations Segment.

CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee According to 178 (5) of the Companies Act 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The SR

Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

Composition and Terms of Reference of the SR Committee is Detailed in Corporate Governance Report Part of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Board has set up a Nomination and Remuneration Committee In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Committee is responsible for making Policy pursuant to Proviso to Section 178 (3) & (4) read with Rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or recommending to the Board, the remuneration package of Directors, KMP & other employees, including their annual increment and commission if any, after reviewing their performance and also to decide the Criteria for determining appointment Qualifications, Positive attributes, and Independence of a Director.

The Details Regarding the Composition of the Committee, Meetings held and Terms Of reference etc.. is Detailed in Corporate Governance Report Part of this Annual Report. And the Detailed Nomination and Remuneration Policy is attached as **Annexure 'D'** to this Report.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

we understand that sustainable growth can only be achieved when our communities flourish. In our pursuit of driving meaningful change, we have prioritised key areas such as education, healthcare, Rural Infrastructural Development environmental sustainability, Empower communities with sustainable livelihoods and more.

In View of the above The Board has Constituted Corporate Social Responsibility Committee to Comply the Section 135 of the Companies Act, 2013. Corporate Social Responsibility Committee formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate a list of CSR projects or programmes which a Company plans to undertake while also recommending the amount of expenditure to be incurred on each of the activities and to monitor the CSR policy of the Company from time to time. Composition and Terms of Reference of the Committee is Detailed in Corporate Governance Report Part of this Annual Report.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

Further, company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

E-VOTING FACILITY AT AGM

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and

Disclosure Requirements] Regulations, 2015, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 30th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

LISTING ON STOCK EXCHANGE

The Company continues to remain listed with Bombay Stock Exchange Limited and annual listing fee for the same has been paid.

DISCLOSURES

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, Twelve Board Meeting were convened and held, details of the meetings of the Board and various Committees of your Company are set out in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements] Regulations, 2015.

ANNUAL RETURN

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Return of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 & 12 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and are accessible at the web-link: <https://scansteels.com/wp-content/uploads/2023/07/MARCH-2023-1.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans, made by the Company under Section 186 of the Companies Act, 2013 during the year under review also no loans were given to any firms or companies in which Directors are interested. However, the company has made investment in quoted securities as a long-term investment and the details of the investments covered under the provisions of section 186 of the company's act, 2013 are given in the financial statements.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 'F'** and is attached to this report.

PARTICULARS OF EMPLOYEES (RULE 5(2), AND 5(3)) AND MANAGERIAL REMUNERATION (RULE 5(1)) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND UNDER SECTION 197(12) OF THE ACT

The total number of employees as on 31st March, 2023 stood at 2002.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the **Annexure 'G'** in this Report.

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

In term of Section 134(3)(l) of the Companies Act, 2013, no material changes and commitments have occurred after the close of the year till the date of this Report, which could affect the financial position of the Company.

GENERAL

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

- i. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- ii. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- iii. No significant or material orders were passed by the Courts or Tribunals which impact the going concern status and Company's operations in future.

- iv. There is No Revision of Financial Statement or Board Report Adopted by the Company, thereby there is no Disclosures to be made by the Company u/s 131 of the Companies Act, 2013 for Voluntary Revision of Financial Statement.
- v. Your Company has No Holding or Subsidiary Company and thereby, Whole time Director of the Company do not receive any commission or remuneration from the same. Accordingly, there are no Details to be provided by the Company pursuant to Section 197 (14) of the Companies Act, 2013.

ACKNOWLEDGEMENTS

Your directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

FOR AND ON BEHALF OF THE BOARD

Place: Bhubaneswar
Date: 25th August, 2023

Sd/-
Ankur Madaan,
Whole- Time Director
(DIN: 07002199)

Sd/
Praveen Patro,
Director
(DIN: 02469361)

ANNEXURES TO THE BOARD REPORT

ANNEXURE NO.	CONTENTS
ANNEXURE 'A'	Form 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) disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.
ANNEXURE 'B'	Annual Report on CSR
ANNEXURE 'C' -	Policy for Selection of Directors and determining Directors' independence.
ANNEXURE 'D' -	Nomination and Remuneration Policy
ANNEXURE 'E' -	Secretarial Audit Report (In Form - MR 3)
ANNEXURE 'F' -	Particulars of Conservation of Energy, Technology Absorption and foreign Exchange Earnings and outgo.
ANNEXURE 'G' -	Rule 5 (1) (2) AND (3) of Companies (Managerial Remuneration) Rules
ANNEXURE 'H' -	Certificate of Compliances with Corporate Governance Requirement Pursuant to Regulation 34(3) Read with Schedule V (E) - of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



ANNEXURE 'A'

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 and Related Party Transactions Justification for Entering into Related Party Transactions referred to in sub-section (2) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

Scan Steels Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2023. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject, section in the Companies Act, 2013 (Act) and the corresponding Rules and SEBI Listing Regulations, 2015

a. Name(s) of the related party and nature of relationship	<p style="text-align: center;">NIL</p> <p>(All the contracts or arrangements or transactions with related parties are at arm's length basis.)</p>
b. Nature of contracts /arrangements / transactions	
c. Duration of the contracts / arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. date(s) of approval by the Board	
g. Amount paid as advances, if any:	
h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
*Scan Energy & Power Limited, Promoter's (Mr. Rajesh Gadodia) Relative is one of the Director in the said Company	Sale & Purchase of Sponge Iron, Intermediary Steel Products,	Continuous Basis	Sale/Purchase of Steel Products, at arm's length basis. (For details of transactions during the year refer Note -32 (II) to the financial statements which includes transactions related to purchase and sale of goods.)	Please refer note below	Nil

**Shrishti Trading Corporation Pvt. Ltd. One Director (Mr. Rajesh Gadodia) is common Director and Shareholder.	Sale & Purchase of Steel Products,	Continuous Basis	Sale/Purchase of Steel Products, at arm's length basis. (For details of transactions during the year refer Note -32 (II) to the financial statements which includes transactions related to purchase and sale of goods.)	Please refer note below	Nil
***Karma Re-rollers Pvt. Ltd. One Director (Mr. Rajesh Gadodia) is Shareholder in the said Company	Sale & Purchase of Steel Products,	Continuous Basis	Sale/Purchase of Steel Products, at arm's length basis. (For details of transactions during the year refer Note -32 (II) to the financial statements which includes transactions related to purchase and sale of goods.)	Please refer note below	Nil

Note: As per erstwhile Clause 49 of the Listing Agreement and Regulation 23 of the SEBI Listing Regulations, 2015 approvals were taken for related party transactions that were considered material with Scan Energy & Power Limited, which was approved by the Board in its meeting held on August 25, 2022, and shareholders' approval was obtained at the Annual General Meeting held on September 29, 2022, for an estimated amount of around ₹ 300 crore. Per financial year from FY 2022-23 and onwards, and for Shrishti Trading Corporation Pvt. Ltd., the Board of Directors approved transactions in its meeting held on June 15, 2021, and shareholders' approval was obtained at the Annual General Meeting held on September 30, 2021, for an estimated amount of around ₹ 500 crore. Per financial year During FY 2021-2022 and onwards, For Karma Re-rollers Pvt. Ltd., which was approved by the Board in its meeting held

on February 25, 2015, and shareholders' approval was obtained at the Extraordinary General Meeting held on March 26, 2015, for an estimated amount of around ₹ 100 crore. per financial year during FY 2014-15 and onwards, which was also reviewed by the Audit Committee.

* Eq. Shares held by Promoter's-Director's (Rajesh Gadodia) Relative – Mr. Nimish Gadodia 6.59% Sawarmal Gadodia – 0.06% and Binita Gadodia – 7.70% and Promoter Company holds - Bayanwala Brothers Private Ltd. (18.25%) Artline Commerce Private Ltd. (2.17%) in the said company.

** Eq. Shares held by Promoter-Director (Rajesh Gadodia) 93.38% in the said company.

*** Eq. Shares held by Promoter-Director (Rajesh Gadodia) 6.24% and Promoter Company holds - Bayanwala Brothers Private Ltd. (27.63%) Artline Commerce Private Ltd. (0.75%) in the said company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Ankur Madaan,
Whole- Time Director
(DIN: 07002199)

Sd/

Praveen Patro,
Director
(DIN: 02469361)

Place: Bhubaneswar
Date: 25th August, 2023

ANNEXURE 'B'

Annual Report on Corporate Social Responsibility (CSR) Activities [Pursuant to Section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline on CSR Policy of the Company:

As a part of its policy for corporate social responsibility, the Company is associated with charitable and social activities and thereby playing a pro-active role in the socioeconomic growth. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes in account guidelines and statements issued by stakeholders and other regulatory bodies.

The management has adopted corporate social responsibility (CSR) with the objective of creating wealth in the community with focus on education, health, water and society. Social welfare, community development, economic and environmental responsibilities are at the core of the CSR of the Company.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified Following areas of engagement which are as under:

- **Rural Transformation:** Creating sustainable livelihood solutions, Infrastructure support for rural development, addressing poverty.
- **Animal Welfare:** Aim to address material issues for each livestock industry. disease prevention and veterinary treatment, appropriate shelter,

management, nutrition, humane handling, and humane Slaughter.

- **Health:** Affordable solutions for healthcare through improved access, awareness and health seeking behaviour. Eradicating hunger, poverty and malnutrition, promoting preventive health care and making available safe drinking water.
- **Education:** Access to quality education, promoting education including special education to poor children in rural area. Improving literacy amongst the children, women, elderly and the differently abled, training and skill enhancement, career guidance, Specially in Nearby Villages where the Plants of the Company Located.
- **Environment:** Environmental sustainability, ecological balance, conservation of natural resources.
- **Water:** The Company makes affordable solution for water crises in the local area.

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act. The CSR Policy may be accessed on the Company's website at www.scansteels.com - Investor Relations Segment.

2. The Composition of the CSR Committee.

SI NO.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shravan Kumar Agrawal	Independent Director	2	2
2	Mr. Punit Kedia	Independent Director	2	2
3	Mr. Ankur Madaan	WTD/Executive Director	2	2

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company are provided below:

The Composition of CSR committee	https://scansteels.com/committee/
CSR Policy	https://scansteels.com/wp-content/uploads/2023/06/CSR-POLICIES.pdf
CSR projects as approved by the board	https://scansteels.com/others/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

During the year, the Company has Spent CSR contributions on its own for funding their various programs and initiatives in the fields of education, Health Care, Animal Welfare, infrastructure support for rural development. There are no projects undertaken or completed before or after 22 January 2021, as amended for which the impact assessment report is applicable in terms of sub-rule 3 of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. (a) Average net profit of the company as per section 135(5) of the Companies Act, 2013 - ₹ 4247.41 Lakhs

(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013. - ₹ 84.95 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Not Applicable

(d) Amount required to be set off for the financial year, if any: Nil

(e) Total CSR obligation for the financial year (b+c-d). - ₹ 84.95 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).

- Total amount Spent for the Financial Year on other than ongoing Project - 87.62 lakhs

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable - Not Applicable

(d) Total amount Spent for the Financial Year (a+b+c) - ₹ 87.62 Lakhs

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
87.62	NA	NA	NA	NA	NA

(f) Excess amount for set off, if any - Nil

SR. NO.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	84.95
(ii)	Total amount Spent for the Financial Year	87.62
(iii)	Excess amount spent for the financial year [(ii)-(i)]	02.67
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial year [(iii)-(iv)]*	02.67*

* The Company does not propose to avail any set-off, against the excess amount spent in FY 2022-23, for succeeding financial years.

7. Details of Unspent CSR amount for the preceding three financial years:

SR. NO.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If yes, enter the number of Capital assets created/ acquired - N.A

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration No. if applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013. - Not Applicable

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-
Shravan Agrawal
Chairman of CSR Committee &
Independent Director

Sd/-
Ankur Madaan
Member of committee &
Whole- Time Director

Sd/-
Punit Kedia
Independent Director &
Member of Committee

Place: Bhubaneswar
Date: 25th August, 2023

ANNEXURE 'C'

POLICY FOR SELECTION OF DIRECTORS AND
DETERMINING DIRECTORS' INDEPENDENCE**1. Introduction**

- 1.1 Scan Steels Limited (SSL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, SSL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 SSL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. SSL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

- 2.1 This Policy sets out the guiding principles for, Nomination and Remuneration Committee for identifying person who are qualified to become Director and to determine the independence of Directors, in case of their appointment as independent director of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meaning:

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Nomination and Remuneration Committee" means the committee constituted by SSL's Board in accordance with the provision of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- 3.3 "Independent Director" means a director referred to in sub-section (6) of section 149 of the companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:**4.1 Qualification and criteria**

- 4.1.1 The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

- 4.1.2 In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

For appointing Independent Directors Nomination and Remuneration Committee will take the following in to the account:

- Evaluate the balance of skills, Knowledge and experience on the board and identify the capabilities required in the Board.
- Prepare description of roles and capabilities and identify candidates who has the said capabilities and in case NRC is looking to replace another Independent Director completing his/her tenure, then accordingly, the description will capture the skillset and expertise of the outgoing Independent Director.
- For identifying suitable candidate NRC can take assistance from the external agencies and Independent Directors Data Bank, consider candidates from a wide range of backgrounds, having due regard to diversity.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his/her written consent to act as a Director;
- Shall Endeavour to attend all Board Meetings and wherever he/she is appointed as a committee member, the committee Meetings;
- Shall abide by the code of conduct established by the Company for Directors and senior Management Personnel;
- Shall disclose his/her concern or interest in any company or companies' bodies corporate, firms, or other association of individuals including his/her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

4.1.4 The Nomination and Remuneration committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration Committee shall assess the independence of Director at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director-

- a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company or Member of the Promoter Group of the Company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. Who has or had no pecuniary relationship, other than sitting fees / remuneration as such director or having transaction

not exceeding ten per cent of his/her total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

d. None of whose relatives –

- (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the company, its holding, subsidiary or associate company, respectively.
- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees, at any time during the three immediately preceding financial years or during the current financial year; or
- (iv) has any other pecuniary relationship or transaction with the company, or its holding, subsidiary, or associate company, or their promoters, or directors amounting to two per cent. or more of its gross turnover or total income or fifty lakhs' rupees whichever is lower during the three immediately preceding financial years or during the current financial year

e. Who, neither himself/herself nor any of his/her relatives –

- (i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company or any company belonging to the Promoter group of the company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;

"Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his/her employment during preceding three financial years."

- (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial in which he/she is proposed to be appointed, of—
 - (A) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) Any legal or a consulting firm that has or had any transaction with the company its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) Holds together with his/her relative two per cent or more of the total voting power of the company; or
- (iv) Is a Chief Executive or director, by whatever name called, of any non- profit organization that receives twenty-five per cent or more of its receipts o r Corpus from the company, any of its promoter, directors or its holding, subsidiary or associate company or that holds two per cent or more of more of the total voting power of the company; or

- (v) Is a material supplier, service provider or customer or a lessor or lessee of the company
- f. Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013
- h. Who is not less than 21 years of age
- i. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

4.2.3 The Independent Director shall abide by the "Code for Independent Directors" as specified in schedule IV to the Companies Act, 2013

4.3 Other directorship/committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorship in other listed public limited companies in such a way that is does not interfere with their role as directors of the Company.

The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Directors and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies and 7 Listed Company.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 listed Companies in case he is serving as a whole- time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she holds directorships. For the purpose of reckoning Limit of Directorship Dormant Co. (whether Pvt. Or Public) to be excluded.

For the purpose of considering the limit of the Committees, Audit Committee and stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

* The Policy was last amended in the Board Meeting held on August 25, 2021.

ANNEXURE 'D'

**SCAN STEELS LIMITED (SSL)
NOMINATION AND REMUNERATION POLICY**

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of this policy is to lay down a framework in relation to appointment/Re-appointment and remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3 For Every appointment of an Independent Director, the committee shall evaluate the balance of skills, and knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent Director shall have the capabilities identified in such description.
- 1.4 Formulation of criteria for evaluation of Independent Director and the Board.
- 1.5 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.6 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.7 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.8 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.9 To develop a succession plan for the Board and to regularly review the plan.
- 1.10 To assist the Board in fulfilling responsibilities.

1.11 To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY

- A. Directors (Executive and Non-Executive)
- B. Key Managerial Personnel
- C. Senior Management Personnel

DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company.

“Directors” means Directors of the Company.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

“Senior Management” shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.”

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

CONSTITUTION OF COMMITTEE

- The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than two-third are independent directors.
- The Chairman of the Committee is an Independent Director. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson
- However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- Minimum Two (2) members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

FREQUENCY OF COMMITTEE MEETING

The meeting of the Committee shall be held at least once in a year.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - c) Any vacancy in the office of a director shall be filled at the earliest and in any case not later than three months from the date of such vacancy. In cases where Company becomes non-compliant with the requirement under Regulation 17(1) of LODR, Regulations, 2015, due to expiration of the term of office of any director, the resulting vacancy shall be filled not later than the date such office is vacated.
 - d) Approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager will be taken at the next annual general meeting or within a time period of three months from the date of appointment, whichever is earlier.
 - e) Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager shall be filled at the earliest and in any case not later than three months from the date of such vacancy but not by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.
 - f) The continuation of a director serving on the board of directors other than Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, and approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of Listing regulations or the Companies Act, 2013 shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.
 - g) the appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders.
 - h) Committee and the Board of directors will give detailed explanation and justification in the statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of a person earlier rejected by the shareholders for recommending such a person for appointment or re-appointment.
 - i) The Company shall not appoint or continue the employment of any person as Whole-time Director/ Managing Director / Manager who has attained the age of seventy years and non- executive director who has attained the age of seventy-five years. Provided that the term of the person holding this position may be extended beyond the age of seventy years and seventy-Five Years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond the specified years.
- Provided that in case of Whole-time Director/ Managing Director / Manager where no such special resolution is passed but votes cast in favour of the motion exceed

the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

- j) A person shall not be a director in more than seven listed entities.
- k) Any vacancy in the office of the Compliance Officer shall be filled at the earliest and in any case not later than three months from the date of such vacancy. Vacancy cannot be filled by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.
- l) Any vacancy in the office of the Chief Financial Officer shall be filled at the earliest and in any case not later than three months from the date of such vacancy. Vacancy cannot be filled by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the

Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- The Appointment, re-appointment or removal of an independent Director shall be subject to the approval of shareholders by way of special resolution. where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made. further that independent director shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.
- An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- No independent director, who resigns from a company, shall be appointed as an executive / whole time director on the board of the company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall specify the manner and carry out effective evaluation of performance of Board and its committees / every Director, KMP and Senior Management Personnel at regular interval (yearly) and review its implementation and compliance.

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing

policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/ KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Whole-Time Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

COMMITTEE MEMBER'S INTEREST

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any

time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Considering any other matters as may be requested by the Board.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting or before the Next Committee Meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

REVIEW AND AMENDMENT

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC with the approval of the Board as and when required where there are any statutory changes necessitating the change in the policy. The Policy was last amended in the Board Meeting held on July 29, 2023.

ANNEXURE 'E'

Form No- MR-3 Secretarial Audit Report FOR THE FINANCIAL YEAR ENDED 31st March 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

To,
The Members,
Scan Steels Limited

Office No. 104-105, E-square, Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E),
Mumbai – 400 057

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Scan Steels Limited** bearing CIN: **L27209MH1994PLC076015** [hereinafter called the Company] Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records

maintained by **Scan Steels Limited** ("The Company") for the Financial Year ended on 31st March, 2023 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Byelaws framed there under.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not Applicable to the company during the audit period**);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) as may be appropriately applicable for the period under review:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; to the extent applicable;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; to the extent applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; to the extent applicable;

- d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Shares) Regulation, 2021; (Formerly known as Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014) **(Not Applicable to the Company during the audit period)**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the company during the audit period)**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the company during the audit period);**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the company during the audit period) and**
 - i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the audit period)**
6. Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the following laws/acts are also, inter-alia, applicable to the company:
- a. Legal Metrology Act, 2009 and the Rules made thereunder;
 - b. Orissa Electricity (Duty) Act, 1961 and Rules made thereunder;
 - c. The Static & Mobile Pressure Vessels Rules, 1981;

- d. The Gas Cylinder Rules, 2004;

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

(i) Secretarial Standards

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India with respect to board and general meetings.

(ii) Listing Agreements

The Listing Agreement entered into by the Company with BSE read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were No Changes in the Composition of the Board of Directors that took place during the year under review. Appointment and/or Re-appointment carried out during the year under review was in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. Dissenting member's views were not

required to be captured and records as a part of the minutes as there was no such instance.

we further report that: based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

1. Mr. Praveen Kumar Patro (DIN: 02469361) was appointed as an Executive Director of the Company designated as Director – Project, for a second term of 5 (five) consecutive years with effect from 30th May 2023 to 29th May 2028 and Members approval accorded for the same at the 29th Annual General Meeting of the Company held on 29th September, 2022.
2. During the Year under review Unit IV – having plant - 2nos. of rotary Klin of 100 TPD (Tonnes per day) each of DRI (Direct Reduction of Iron ore) located at Sy, No. 285 B1, 285 B2, 286 B, Haraginadoni Road, Vill -Veniveerapura Village, Bellary - 582115, Karnataka. Scattered in 39.70 Acres, Bearing Land Details – Survey

No. 896/B – 7.56 Acres, 896/C – 7.32 Acres in Kudithin Village, Survey No. 283 B – 3.74 Acres, 284 A - 6.82 Acres, 284 C – 2.49 Acres, 285/B/3 – 2.24 Acres, 400 A/1 – 9.53 Acres, in Veniveerapura Village together with all specified tangible and intangible assets, including personnel / employees, plant and machinery and other assets in relation to the Unit IV, or in any other manner as the Board may deem fit in the interest of the Company, was given on lease to Scan Energy & Power Ltd. a related party within the meaning of Section 2(76) of the Act, read with Regulation 2(1)(zb) and Regulation 2(1)(zc) of the Listing Regulations, 2015 on a Monthly rental of ₹ 27 Lakhs Plus GST for Two Years on Terms, conditions and Further Renewal as may be deemed fit by the Board and/or Mutually agreed between the parties. as per Members approval accorded in 29th Annual general meeting held on 29th September, 2022.

3. The rating of the company has been re-affirmed to IVR BBB+/Negative Outlook (IVR Triple B Plus with Negative Outlook) for Long Term Debt and Fund Based Facilities and IVR A2 (IVR A Two) for Short Term Non-Fund based Facilities from Informerics Valuation and Rating Pvt Ltd.
4. Scan Steels Ltd. has slipped to NPA in 2018. SBI had restructured the account and now the company is out of restructured preview.

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES,

Company Secretaries

Sd/-

Amarendra Mohapatra

ACS No.: 26257

C.P. No. 14901

Place: Bhubaneswar

Date: 25th August, 2023

*This report is to be read with our letter of even date which is annexed as 'Annexure E-1' and forms an integral part of this report.

‘ANNEXURE E-1’

To,
The Members,
Scan Steels Limited
104/105, ‘E-Square’,
Subhash Road, opp. Havmor Ice-Cream,
Vile-Parle (East), Mumbai – 400057.

Our Secretarial Audit 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. Where ever 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 further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Whole-Time Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES,

Company Secretaries

Sd/-

Amarendra Mohapatra

ACS No.: 26257

C.P. No. 14901

Place: Bhubaneswar

Date: 25th August, 2023

ANNEXURE 'F'

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2023.

A) CONSERVATION OF ENERGY:

I. Steps taken or impact on for conservation of energy:

In addition to the existing measures being practiced, the following steps were taken: -

- i) Education of work at the Head Office regarding use of various office equipments, especially computers in a manner that use less energy.
- ii) Adoption of Policy of Having our heating and cooling equipment serviced regularly.
- iii) Moved to energy efficient compressors and motors along with optimisation of capacity;
- iv) Replacement of conventional lamps to LED for Street lights;
- v) All machines provided with timers to reduce idling;

II. Steps taken by the Company for utilising alternate source of energy:

The Company is Considering to go with green energy conservation. In recent times, the company has taken initiative for installation of solar power within the factory premises one step towards green initiative.

III. The Capital investment on energy conservation equipments:

The company has Not made any capital investment for utilising alternate source of energy.

B) TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption

Coal Beneficiation:

Introduced "modifier" in flotation cell to increase clean coal yield.

Developed process flow sheet for washery at Budhakata by introducing intermediate coal beneficiation to enhance clean coal recovery.

(ii) Research and Development:

Specific areas in which R & D is carried out by your company.

- i) Horizontal and vertical expansion of company's product profile.
- ii) New & Improved Product Development.
- iii) Up gradation of R&D lab, efforts are being made to develop state of the art R&D centre at Rambahal works to cater to the growing demand of products.

(iii) The benefit derived like product improvement, cost reduction, product development or import substitution:

- Customer satisfaction, cost reduction and quality improvement.
- Efficiency and yield improvement, loss reduction and modernization program
- Increased Market share for various products.
- Better market penetration of various products.
- Strength of Products are being developed by up gradation and innovation.

(iv) Information regarding imported technology (imported during last three years reckoned from the beginning of the financial year)

- a) the details of technology imported; Not Applicable

- b) the year of import; Not Applicable
- c) whether the technology been fully absorbed; Not Applicable
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not Applicable
- (v) The expenditure incurred on Research and Development:

Sr. No.	Particulars	Amount (₹ in Crore)
1	Capital	Nil
2	Revenue	Nil
	Total	Nil

C) FOREIGN EXCHANGE EARNING AND OUTGO:

	Current Year (Amount)	Previous Year (Amount)
Total foreign exchange outgo in terms of actual outflow In US \$	Nil	Nil
Total foreign exchange outgo in terms of actual outflow In Thailand Baht (THB)	Nil	Nil
Total foreign exchange earned in terms of actual inflows	Nil	Nil

FOR AND ON BEHALF OF THE BOARD

Sd/-

Ankur Madaan,
Whole- Time Director
(DIN: 07002199)

Sd/

Praveen Patro,
Director
(DIN: 02469361)

Place: Bhubaneswar
Date: 25th August, 2023

ANNEXURE 'G'

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5 (1) (2) & (3) OF COS (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

- (i) The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary during the financial year 2022-2023 and ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-23 are as under;

Sr. No.	Name of the Director/ KMP and designation	Remuneration of Director/ KMP for the FY 2022-2023 (₹ in lacs)	% increase in remuneration in the FY 2022-2023	Ratio of remuneration of each Director/ to median remuneration of employees
1	Mr. Ankur Madaan	9.00	25.00%	9.26
2	^Mr. Praveen Kumar Patro	^12.00	19.57%	12.35
3	Mr. Prabir Kumar Das, Company Secretary & Compliance Officer	14.40	7.46%	Not Applicable
4	Mr. Gobinda Chandra Nayak, Chief Financial Officer	15.60	10.64%	Not Applicable

^ Amount of 0.22 is towards PF Contribution

* Sitting fees do not form part of remuneration in the aforesaid calculation, and there is no remuneration paid to independent directors or non-executive directors.

**The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2022 to March 31, 2023.

*** Unit IV-Bellary - 582115, Karnataka given on lease after November, 2022 to Scan Energy & Power Ltd. as per Members approval accorded in 29th Annual general meeting held on 29th September, 2022.

- (ii) The median remuneration of employees of the company during the financial year was ₹ 1,13,124;

- (iii) In the Financial year, there was Increase of 9.30% in the median remuneration of employees;

- (iv) There were 2002 permanent employees on the rolls of Company as on March 31, 2023;

- (v) There was an average percentage increase of 8.15% in the salaries of employees other than managerial personnel in the last financial year, i.e., 2022-23, whereas the increase in managerial remuneration for the same financial year was 14.09%.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employee.

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

(INR in Lakhs)

SL.NO	Name	AGE IN YEARS	Qualification	Date of Commencement Of Employment	Designation	Remuneration (Amount in Lakhs)	Total Experience (No. of yrs.)	Previous Employment (Designation)	Percentage/No. of equity share held by employee in company
1	GOBIND CHANDRA NAYAK	52	B.Com(Hons), CA (Inter), ICWA (Inter)	01/11/2014	Chief Financial Officer	15.60	25 Yrs.	Sree Metaliks Ltd., GM (Finance)	250
2	PRABIR KUMAR DAS	52	B.Com(Hons), FCS, LLB, CMA/MBA [Finance & Marketing],	1/12/2004	President & Company Secretary	14.40	26 Yrs.	Rohit Ferro Tech Limited (Company Secretary cum Legal Officer)	Nil
3	GOVIND SHARMA	52	B. Com	01/02/2011	AGM, Commercial	12.00	28 Yrs.	Orissa Cement Limited, Manager -Accounts	Nil
4	VINEET GADODIA	45	B. Com	01/10/2002	AGM, Operation	10.80	22 Yrs.	NA	Nil
5	KALYAN MISHRA	55	B. Com, [Hons] CA Inter	01/11/2015	GM, Accounts	10.59	28 Yrs.	Business	Nil
6	OMPRAKASH AGRAWAL	58	B. Com	01/02/2011	Senior Manager Accounts	10.20	36 Yrs.	Orissa Cement Limited, Manager -Accounts	Nil
7	SAURAV SENGUPTA	51	Diploma [Tech.]	01/01/2017	General Manager (Operation)	8.26	28 Yrs.	Scan Energy & Power Limited GM (Operation)	Nil
8	PRAFULLA KUMAR SAHOO	48	B A	04/07/2010	Manager (Despatch)	7.20	13 Yrs.	NA	Nil

9	JOYDEEP GHOSH	53	Diploma [Tech.]	16/08/1973	DGM-Commercial	6.84	15 Yrs.	Nil	Nil
10	DEEPAK KUMAR SHARMA	56	Matric	11/09/1990	Manager	6.00	33 Yrs.	Nil	Nil

1. The remuneration includes salary, perquisites and contribution to provident fund.
2. None of the employee is a relative of any director of the company.
3. All appointments are/were contractual in accordance with terms and conditions as per company rules.
4. None of the employees hold by himself or along with his/her spouse and dependent children, 2% or more equity shares of the company.
5. Details of remuneration of Directors are given in the Board Report and Corporate Governance Report.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Ankur Madaan,
Whole- Time Director
(DIN: 07002199)

Sd/

Praveen Patro,
Director
(DIN: 02469361)

Place: Bhubaneswar
Date: 25th August, 2023

ANNEXURE 'H'

CERTIFICATE OF COMPLIANCES WITH CORPORATE GOVERNANCE REQUIREMENT PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE V (E) - OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members,
Scan Steels Limited

We have examined the compliance of conditions of Corporate Governance by Scan Steels Limited ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulations 17 to 27 (Reg. 24 Not Applicable) and clauses (b) to (i) ('h' Not Applicable) of regulation 46(2) and para-C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**the Listing Regulations**"). ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the 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 our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 (Reg. 24 Not Applicable) and clauses (b) to (i) ('h' Not Applicable) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations ('Applicable criteria') during the year ended March 31, 2023.

We 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 M/s. AMARENDRA MOHAPATRA & ASSOCIATES

Place: Bhubaneswar
 Date: 25th August, 2023

Sd/-
CS Amarendra Mohapatra
 Company Secretary
 M. No.:A26257
 C.P. No. : 14901

MANAGEMENT DISCUSSION AND ANALYSIS

we are striving to do better in Innovation, cost efficiency, operational excellence and sustainability. We are continuously working towards scaling new heights and strengthening our leadership in the steel industry.

1. OVERVIEW

The following operating and financial reviews are intended to convey the Management's perspective on the financial and operating performance of the Company at the end of Financial Year 2022-23.

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 2022-23. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this 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/ guidelines issued by the Securities and Exchange Board of India ('SEBI') from time to time.

1.1 ORGANISATIONAL OVERVIEW

The Scan Group is renowned name in Iron and Steel Industry backed by more than two decades of experience in steel making. Scan Steels Limited is the flagship company of "Scan Group" of industries and represents integrated Steel Plant located at Rajgangpur, Odisha near Rourkela and other factory is in Bellary (Karnataka). Scan Steels is a complete integrated steel manufacturing unit having its own captive power plants, sponge iron and SMS.

The company is a pioneer in starting DRI unit in the State of Odisha. Over the years the Company

has added many upstream as well as downstream value adding installations to attain better control over its processes, minimize production cost, wider market penetration and minimize energy dependence on the state grid by means of installing a Captive Power Plant. During a decade the Company form merely being a rolling mill became Integrated Steel Producer. The Company expanded its activities by way of acquisition at present is having manufacturing facilities in the States of Odisha and Karnataka. We have vast range of rolled steel TMT products which ranges from 8mm to 32mm. Focusing on innovation, technology, sustainability and people, we strive to become the most respected and valuable steel company in India.

With a focus on meeting consumer needs and an expanding range of product grades, we have successfully achieved improved profit margins and enhanced brand value. Our products not only contribute to our business success but also play a vital role in promoting environmental sustainability. We are committed to driving positive change through our consumer-oriented approach and innovative product portfolio. While pursuing our strategic Objectives, we actively contribute towards reducing our environmental footprint and making a meaningful difference in the Lives of our Employees, Partners and Communities.

2. ECONOMIC OVERVIEW

2.1 GLOBAL ECONOMY

Macro-economic volatility and geo-political factors have dominated the global business environment during FY2022-23. The World Economy maintained a steady growth trajectory at the start of CY 2022, following a gradual recovery from the

pandemic, but it was disrupted by the outbreak of the Russia-Ukraine conflict. The war worsens persistent inflation across developed economies. However, the recent reopening may lead to a faster than expected recovery in 2023. The Russia-Ukraine conflict induced a global energy crisis, supply chain tightness, semiconductor shortage-related issues, and inflationary pressures. As central banks prepared to squeeze out excess liquidity to rein in inflation, constrained supply chains were further aggravated by economic sanctions on Russia and China's Stringent Shutdown to contain the spike in COVID-19 cases. All these together impacted the steel demand-supply balance and resulted in a significant contraction in steel price to raw material spreads through the year. Indian steelmakers were further impacted by the introduction of a 15% export duty from May 2022 until November 2022, which created a supply imbalance compared to historical trends.

Global GDP grew by 3.4% in 2022, down from 5.9% in 2021. The global GDP growth projection for FY 2023 is 2.8%, and for FY 2024 it is 3.0%. The global inflation forecast for CY 2023 is 6.6% and for CY 2024 is 4.3%, led primarily by Asian economies such as India and China and other developing economies. The growth rate in 2023 in the USA is expected to be 1.6%, while the eurozone is expected to remain strained at 0.8%. Aggressive monetary tightening by central banks started to have the desired effect on demand. Tightening financial Conditions in most regions and reducing liquidity in global markets led to a strong appreciation of the US dollar, further aided by its 'safe haven' status during periods of uncertainty.

China's Long-term headwinds to growth include a contraction in real estate, a shrinking population, and slowing productivity growth. China's 'ZERO COVID' Policy weakened local demand, which had a spill-over effect overseas, keeping global supplies under pressure and inflation higher.

China's economy is set to rebound to 5.2% as mobility and industrial activity pick up after the lifting of pandemic restrictions. China's earlier than expected re-opening at the end of 2022 paved the way for a rebound in global economic activity and commodity prices. However, as global demand weakened, commodity prices started easing in the third quarter.

2.2 ECONOMIC OUTLOOK

The global economy is sustaining the momentum gained in Q1 of CY 2023 despite still elevated yet moderating inflation, tighter financial conditions, banking sector stress, and lingering geopolitical conflicts. The IMF expects global inflation to drop to 6.6% (from 8.8% in 2022) in CY 2023 and further to 4.3% in CY 2024 on the back of lower commodity prices. but still stay above the pre-pandemic levels of about 3.5%. The factors that drove inflation in 2022 are already reversing. These include increases in commodity prices, expansive fiscal and monetary policy, and supply chain disruptions. Headline inflation has eased, though core inflation is yet to peak. Inflation has already peaked in the US and Europe in early 2023. It is also declining in other major economies, including Japan, China, and India. In response, the pace and intensity of interest rate hikes by major central banks are likely to be benign, but interest rates are likely to remain higher for longer. Going forward, inflation trends, central bank actions, the expected recovery in China, and the Russia-Ukraine conflict will determine the course of the world's economic growth in CY 2023.

Due to tightening monetary and fiscal policy, economic growth in the US is expected to be slower in 2023. The US economy is decelerating, which, combined with high wage inflation and banking sector issues, could lead to a slowdown in H2 CY 2023. In the US, the labour market remains tight, but the consistent decline in inflation could improve sentiment. The Fed's pivot to a less aggressive monetary policy could set the

tone for CY 2023. This will help cool inflation but may affect growth. Ongoing financial sector stress could force a pause in further rate hikes. There is a risk that the US will be pushed into a recession in CY 2023 with a significant decline in residential investments, despite the strong jobs market and healthy balance sheets of households. Contrary to late 2022 estimates, the US will avoid a recession due to declining energy prices, strong employment growth, and an easing of supply chain stress.

China is expected to grow at 5.2% in CY 2023. Slowing exports and a lacklustre property market are headwinds. Fiscal and monetary policy are expected to be supportive as inflation remains low in China. China's recovery, post-Zero COVID policy, is being driven more by services than manufacturing, while growth forecasts for India range between 5.9 and 6.5% for FY 2023-24. Asia could very well be the sweet spot, with India and China at the forefront.

According to the International Energy Agency (IEA), possibilities of a further decline in delivery of Russian natural gas to the Euro area could further dampen growth, especially in the case of a lower availability of liquefied natural gas, which accounted for the majority of gas demand, and weather factors such as a dry summer and a cold winter in Q4. In Europe, wages and consumer spending have fallen significantly. Elevated natural gas prices are fueling inflation and driving down purchasing power. The Euro area averted a severe recession due to good energy management helped by a mild winter, and manufacturing and services are picking up. Goods and commodity inflation has cooled significantly, but service inflation in developed markets remains elevated due to tight labour markets. Aggressive policy tightening by the central banks in the US and Europe to control inflation has impacted growth and also led to banking sector turmoil recently, which has the potential for further downside risks.

2.3 INDIAN ECONOMY

The Indian economy stayed on a steady growth path, demonstrating strong resilience to multiple headwinds stemming from elevated inflation and a volatile global macro environment. India's growth continues to be resilient, underpinned by the Government's capital outlay and buoyant private consumption. India's GDP is estimated to have registered a growth of 6.8% in FY2022-23 and is expected to continue to be the fastest-growing large economy for the third consecutive year, driven by strong private consumption, steady manufacturing, and the normalisation of contact-intensive service sectors. Although inflation remained above the upper band of the RBI's comfort range of 4-6% for most of FY 2022-23, it started easing during the third and fourth quarters as the central bank hiked its policy rates by 250 basis points cumulatively to contain inflation. In April 2023, the RBI put a pause on its rate hike cycle and is widely expected to maintain it if a benign inflationary environment persists.

India's steel consumption grew by over 10% Y-o-Y to 117 million metric tonnes in FY2022-23. Given the current stage of development of the Indian economy and the focus on infrastructure development, steel demand growth in India is expected to keep pace with GDP growth over the next decade. Demand from key steel-consuming sectors such as construction, capital goods, railways, and automotive is expected to remain robust. The growth of the Indian economy stems from the resilience seen in the rebound of private consumption, which seamlessly replaces export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity, resulting in an increase in capacity utilisation across sectors. Capital investment of close to 3.3% of GDP is expected to crowd in private investment, strengthen job creation and demand, and raise India's overall

growth potential. Focus is expected in the energy sector, with significant capital investments in the energy transition and the green hydrogen mission.

India's trade sector remained resilient in FY 2022-23. Imports (merchandise and services) rose 17.4% y-o-y to US\$90 billion. Import demand was driven by the domestic recovery. At the same time, adverse shocks in trade and demand for gold led to an expansion of the merchandise trade deficit. A strong trend in service exports and capital inflows governed by foreign direct investments (FDIs) offset the pressure on the current account balance. With little need for external funding, the reserves built up resilience for the trade sector despite global trade disturbances. Overall, the key steel-consuming sectors are expected to perform well in FY 2023-24, supported by a rise in infrastructure spending by the Government and gradually improving semiconductor supply. The capex of the central government, which increased by 26% in FY 2022-23, was another growth driver in the current year. High CAPEX allocation in key steel-consuming sectors such as railways, national highways, and housing is expected to drive steel consumption. A sustained increase in private capex is also imminent with the strengthening of the balance sheets of the corporations and the consequent increase in credit financing it has been able to generate.

The much-improved financial health of well-capitalised public sector banks has positioned them well to increase the credit supply.

However, the conflict in Europe necessitated a revision in expectations for economic growth and inflation in FY 2022-23. Brent oil prices are expected to remain rangebound in 2023, given the continuing war in Ukraine and sanctions imposed in response by the USA and European Union. India meets nearly 80% of its oil needs through imports. High oil prices will also have a trickle-down effect on the prices paid by consumers for goods and services. Despite an unfavourable

trade environment, exports rose 14% y-o-y to US\$770 billion. Exports are expected to remain steady with a rise in international demand and favourable price conditions. The risks to India's restoring trade balance persist from the slow growth of advanced and emerging economies, higher energy prices, and supply chain changes that occurred during CY 2022, the effects of which might continue in CY 2023.

EFFORTS CARRIED OUT TO REVIVE ECONOMIC GROWTH

The government is focusing on increasing the share of manufacturing in India's GDP, as global supply chains are getting realigned and multinationals are seeking to diversify their risk in terms of sourcing manufactured goods and components. India's digital infrastructure is redefining last-mile delivery, from banking to welfare schemes. Further, the Government is concentrating on building and improving physical infrastructure to increase productivity and increase India's competitiveness.

The India government has stressed on making India 'Atmanirbhar' and has laid down various incentives and policies. The Union Budget 2023-24 proposed a 33% increase in infrastructure spending to ₹10 trillion, or 3.3% of GDP, with the highest ever capital outlay of ₹2.4 trillion for railways. It has also identified 100 critical transport infrastructure projects for last mile logistics and allocated ₹ 75,000 crore towards it. For regional air connectivity, a budget outlay of ₹ 3,100 crore will be allocated to build 50 additional airports, helipads, water aerodromes, and advanced landing fields.

The Emergency Credit Line Guarantee Scheme (ECLGS), introduced as a part of the COVID-19 relief package, was extended to boost credit growth. To promote manufacturing and reduce India's import dependence, the Indian government had launched its flagship programme, Production Linked Incentive Scheme (PLI), for which ₹8,083 crore was earmarked for FY 2023-24. Under the

PLI scheme, ₹ 6,322 crore has been allocated to the steel sector. There was 33% Increase in infrastructure spending as per Union Budget 2023-24.

The Indian growth story continues unabated, propelled by a strong human capital base, robust domestic consumption, and expanding manufacturing capabilities. The government aims to increase the share of manufacturing in GDP to 25%. The global supply chains are experiencing realignment, with a defined shift towards a China+1 sourcing approach, benefiting India, as global buyers seek cost-effectiveness and stability. India's impressive infrastructure developments—propelled by the Gati Shakti project—metros, airports, freight corridors, waterways, high-speed trains, and road networks, will further accelerate growth.

These factors bode very well for domestic steel demand, and Scan Steels aims to serve India's growing steel requirements.

INDIAN ECONOMIC OUTLOOK

India's growth story remains fundamentally strong, propelled by strategic interventions from the government and a relatively lower dependence on foreign demand. The robust balance sheets of Indian corporations and banks serve as additional catalysts, bolstering the momentum in private investments, supportive domestic policies, easing inflation, and robust consumption. These favourable conditions, combined with other factors, are expected to contribute to a projected real GDP growth rate of 6.5% in FY 2023-24. The government has chosen an investment-led growth approach, which includes well-planned medium-term fiscal consolidation and expenditure in 2023 to ensure macroeconomic stability.

The government's Capex, amounting to 3.3% of GDP, is anticipated to crowd in private investments and spur an increase in output through the multiplier effect. Capital expenditure

efficiency, high-quality infrastructure spending, and process improvements are expected to increase transparency and drive growth. The expected rural recovery could provide the required tailwinds. Further, the outlook for residential real estate, the auto sector, and renewables remains optimistic. Consumer and business confidence is expected to sustain going forward as India continues on its high-growth trajectory to assert its strength in the global economic order. Additionally, the government is expected to remain focused on bridging the infrastructure gap and promoting technologies and investments that align with India's 2070 net-zero target.

The downside risks posed by inflation have moderated with a fall in global commodity and food prices. The cumulative increase in the policy repo rate by 250 bps, a stable exchange rate, and a normal monsoon are expected to steer the inflation trajectory down to 5.2% in FY 2023-24 from the average of 6.7% witnessed in FY 2022-23.

The Union Budget in India focused on Infrastructure, manufacturing, and Defence, which is a positive for steel consumption. The fiscal position benefits from lower energy prices, a sharp drop in fertiliser subsidies, and strong tax collections. The manufacturing sector's capacity utilisation has been consistently above 72% since December 2021, which is supportive for private sector capex. Banking credit growth has been in double digits for the last 14 months (April 2022 to May 2023). Improving rural consumer sentiment, healthy reservoir storage levels, and improving rural wage growth point to an ongoing recovery. Demand for commercial vehicles, tractors, and passenger vehicles remains healthy, while recovery in two-wheeler demand is expected to be in line with the rural and semi-urban economies.

SCAN STEEL'S VIEW:

The world is seeing an uncertain geopolitical and economic environment with cross-border

tensions, constrained supply chains and multi-decade high inflation and interest rates. Amid these uncertainties, India stands out with its vibrant economy, demonstrating its resilience in a volatile world, and strengthening its position in the global economy. The Indian economy is estimated to have grown by 7.2% in FY 2022-23.

The Indian economy is likely to be on a sustained growth path, as it takes confident strides to become a 'developed' one over the next two decades. Steel will remain the metal of choice to support infrastructure- and construction-led growth, aided by the growing share of manufacturing in the country's GDP. Given steel's versatility and recyclability, Indian steel is in a sweet spot with globally competitive prices to contribute towards building a sustainable future.

At Scan Steels, we measure and disclose our progress on all key performance indicators against the set targets across all our focus areas of sustainability performance. We are not only improving the sustainability quotient of steel but are also making a meaningful contribution towards meeting India's Nationally Determined Contributions. We are Aligning our efforts with the government to support economic development Contribution towards India's infrastructure vision to 'Make in India'.

Scan steels stand strong with India and domestic economy's growth possibilities and is focused on contributing towards its overall growth. The Company's capacity expansion plans are on track and are aligned with the anticipated growth in India's steel consumption. the Management has engaged a Business Continuity Plan that guides operations and ensures productivity, across the organisation. On the economic front, the 'Atma Nirbhar Bharat Abhiyan' will help boost economy and small business as well as create domestic demand. With efficient integrated operations and a clear vision for the future, we are executing our strategic growth plan in line with India's increasing

demand for steel, to drive its sustainable development story.

3. STEEL INDUSTRY

3.1 GLOBAL STEEL INDUSTRY

The year witnessed very high volatility in raw materials, especially coking coal, on account of the on-going geopolitical concerns and supply chain bottlenecks that weighed on steel prices, with margins coming under pressure for most major steelmakers. Global Steel Demand was impacted by high inflation and the consequent aggressive monetary policy tightening by major central banks. The recovery momentum of the global economy after the pandemic has been affected by persisting inflation, US monetary tightening, China's economic deceleration, and continued supply disruptions due to the Russia-Ukraine war.

In 2022, the developed economies experienced a significant decline in steel demand due to factors such as monetary tightening, surging energy expenditure, High energy prices, rising interest rates, and falling confidence. Following a substantial decrease of 6.2% during CY 2022, there is anticipation of a modest rebound with a projected 1.3% increase in steel demand for CY 2023. Looking ahead to CY 2024, a more substantial recovery of 3.2% is expected. Further, the looming energy crisis in the EU led to weakened sentiments, aggravated by the fear of potential gas rationing in the absence of Russian supplies. China's steel demand contracted by 4% in 2022. However, positive factors like China's re-opening, Europe's resilience during the energy crisis, and a preliminary easing in supply chain bottlenecks will lead to a Y-o-Y rise in global steel demand of 2.3% (1,822 MnT) in 2023.

In CY 2022, total crude steel production stood at 1,885 MnT, down 3.9% y-o-y, as steel producers reduced output in response to weak demand and weak margins due to falling steel prices and elevated raw material costs. The world's largest

steel producer, China, recorded production of 1,018 MnT, a 1.6% y-o-y decline, and Japan's production fell 7.4% y-o-y to 89.2 MnT. This was partly offset by a 6.0% y-o-y increase in production to 125.3 MnT in India.

China's muted growth and weak real estate sector amid COVID-19 lockdowns and continued focus on sustainability led to a sharp fall to \$80/t in October 2022. Led to a 3.5% decline in 2022. Chinese steel demand is expected to grow by 2% in 2023. The growth may be attributed to the base effect and a slight uptick in real estate. However, Iron ore prices saw a sharp rebound to \$125/t in early CY 2023 following an earlier-than-expected China re-opening and renewed optimism about the demand outlook. Moreover, during March, due to the Russia-Ukraine conflict, coking coal prices surged to over \$600/t.

Demand in the US is expected to grow moderately by 1% in CY 2023, supported by the infrastructure sector following the 2021 Infrastructure Law and Inflation Reduction Act. The European steel demand is expected to fall further by 0.4% in 2023 after an 8% decline in 2022. A strengthening construction sector, an easing supply chain, and exports could boost steel demand in Japan and South Korea. Meanwhile, India's Steel demand is on track, with infrastructure investments and urban consumption driving demand for automobiles and capital goods. While the Russia-Ukraine conflict temporarily lifted steel prices in early 2022, the prices corrected sharply from April/May 2022 onward and stabilised towards the end of 2022. Iron-ore prices averaged \$120 per tonne in 2022, after touching \$150 in early 2022 following the outbreak of the Russia-Ukraine conflict. Prices are expected to remain stable, backed by Asian economies like China, Japan, and South Korea.

3.2 OUTLOOK

Commodity prices are likely to remain volatile in 2023, given the ongoing Russia-Ukraine conflict and the expected slowdown in the three largest

economies in the world—the US, China, and the EU. Further, the embargo on energy exports from Russia to the EU could lead to a realignment of supply chains. Meanwhile, iron ore prices are likely to soften in the second half of CY 2023 due to a seasonally stronger supply environment amid a depressed steel demand environment on the back of China's property market weakness and global manufacturing headwinds. Similar to the global economic scenario, the adverse factors that influenced the global steel industry are subsiding. Encouraging developments, such as China's reopening and the alleviation of supply chain pressures, are expected to drive a YoY increase of 2.3% in global steel demand, reaching 1,822 million metric tonnes (MT) in 2023, according to the WSA.

China's domestic steel demand has fallen 5% year-to-date, while potential weakness in exports due to depressed prices could lead to lower steel production targets for CY 2023 and, in turn, weigh heavily on iron ore demand as well as prices. China's steel demand is projected to experience 2% YoY growth, primarily driven by the anticipated robust recovery of the Chinese economy. Japan, the third-largest steel producer, has recorded 16 consecutive months of falling steel production, with the majority of output being directed for the Aisa market. Further, European steel demand is expected to undergo another year of contraction as high inflationary pressure takes a toll on steel demand there. With Europe now ramping up capacity utilisation, there would be limited scope to increase steel exports. Demand in the US is expected to show a moderate increase of 1% YoY in 2023, owing to the focus on infrastructure by the current US administration.

India is likely to remain an outlier with a healthy steel production growth outlook, but the risk of government measures to protect the supply of high-grade ore persists, such as the export tariffs imposed in CY 2022.

Further, the recovery of steel production, excluding China, driven by the restart of blast furnaces in Europe could keep coking coal prices elevated into CY 2023. In Europe, 14 MTPA of BF capacity is estimated to have returned, translating into 9 MnT of coking coal demand, assuming 80% utilisation. With 11 MTPA of BF capacity still to return, demand for raw materials will continue to increase going forward.

Meanwhile, overstocking and a warm winter led to a regional inventory buildup of gas and coal. European coal demand is expected to remain strong until the start of next winter. Coal importers, including China, Southeast Asia, and India, continue to buy Russian coal. Further, the reduction in Russian pipeline gas exports to Europe prompted many countries to consume more coal.

3.3 INDIAN STEEL INDUSTRY

Having managed inflation well, the Indian economy is on a healthy growth track, with a rising share of investment in GDP, appropriate budget allocations, expenditure by the Government in the infrastructure segment, strong domestic consumption, and favourable dynamics in the international market. India aims to be an economic powerhouse with a Total domestic installed capacity of 27.7 MTPA. India remains the 'bright spot' for global steel demand. After growth of 8.2% in 2022, demand is expected to show healthy growth of 7.3% in 2023.

The Indian steel demand grew at 13.3% YoY in 2022 to reach 119.86 MT, compared to 105.75 MT in the previous year. On the supply side, domestic crude steel production increased by 5% YoY to reach 126.25 MT compared to 120.29 MT in the previous year. Domestic finished steel production stood at 122.28 MT, which was a 7.6% YoY increase compared to the previous year. India is the second-largest producer of crude steel in the world, with an output of 126.2 MnT in FY 2022-23.

According to the Ministry of Steel, during FY 2022-23, India exported 6.7 MT of finished steel, which was 50.2% lower as compared to the previous year. On the other hand, there was a notable increase in the import of finished steel, reaching 6.02 MT during the same period, marking a growth of 29% compared to the previous year. These figures can be attributed to two main factors. Firstly, the sluggish demand for steel in Advanced Economies and the imposition of export duties on steel by the Indian government contributed to the decline in India's steel exports. Secondly, the strong domestic demand prompted the need for additional steel imports to meet the growing requirements within the country. India also faced supply disruptions due to raw material constraints and the volatility of prices. Together, these factors explain the contrasting trends in India's steel trade, with weak global demand and stronger domestic consumption influencing the figures.

India's steel exports dipped by 54.1% to 47.41 lakh metric tonnes from April to December 2022, largely due to weak global demand and the imposition of a 15% export duty on steel products between May 2022 and November 2022. Further post-withdrawal of export duty in November 2022, the import duty on coking coal, anthracite/PCI, and ferronickel, which are used as raw materials in steel making, was hiked to 2.5%. Import duty for coke and semi-coke was raised to 5% from zero, making Indian steel uncompetitive in global markets. On the other hand, finished steel imports jumped 27.4% year-on-year between April 2022 and December 2022, as the slowdown in the US and Europe prompted large steel producers like South Korea, Japan, and Vietnam to divert excess production to the Indian markets.

The India government has set a target to increase crude steel production capacity from 160 MTPA in FY 2022-23 to 300 MTPA by FY 2030-31 under the National Steel Policy. Further, the

NITI Aayog has stated that India will become the world's production centre for green steel and pave the way for its worldwide adoption. With the fourth industrial revolution, Industry 4.0, underway, the Indian steel industry is leveraging the power of Machine Learning (ML), artificial intelligence (AI), and smart manufacturing to improve efficiency and strengthen sustainability. Further, the government's push for infrastructure and social development continued to be firm. The NHAI pipeline for the next three years remains strong, and InvITs are gaining traction with continued interest from foreign players. The NIP, PLI scheme, and defence indigenization are driving private capex. Infrastructure boosts and capex investments by the government augur well for the MHCV and tractor segments going forward. The auto sector also stands to benefit from the PLI boost. However, the commercial vehicle space is expected to grow slowly due to weak transporter profitability and delayed buying. In the reporting period, the urban residential real estate cycle remained strong with robust new launches and high affordability, despite higher interest rates. Renewables saw large investments driven by increasing power consumption and the green energy transition.

The key opportunities boosting the steel demand are as follows:

Infrastructure and construction account for 60-65% of steel consumption in India. The India government's efforts to kickstart an investment cycle led by robust public capex, coupled with strong corporate and bank balance sheets, is likely to provide impetus to private Investments and consumption. Projects Like High-Speed Rail, Dedicated Freight Corridor, PM Gati Shakti are also key drivers of domestic Steel consumption. Further, the extended Credit-Linked Subsidy Scheme (CLSS) Until 2027, will not only bridge the affordability gap in residential real estate, but also boost demand for structural Steel.

- ~2.5 MnT – Estimated steel Consumption in Mumbai – Ahmedabad Bullet train project; the highest ever in any infra projects in India.
- ₹2.4 trillion capital outlay to redevelop railway stations and make them into a multi-modal transit facility
- ₹10 Lakh Cr. – Budgeted government outlay for infrastructure in FY 2023-24, accounting for 3.3% of GDP and up 33% y-o-y
- Government's focus on strengthening the domestic manufacturing base under the flagship "Atmanirbhar Bharat" programme. The Production Linked Incentive scheme has been introduced to boost the manufacturing sector in industries like automobile & auto components, consumer durables, solar equipment, telecom, etc. These are expected to boost steel consumption. Also, Rising urbanisation and per capita income levels, Potential for per capita steel consumption to grow to 158kg by FY 2030-31
- Domestic production of specialty steel has been given a boost with an outlay of ₹ 6,322 crore under the PLI scheme. Seven applications from 30 companies have been selected under the scheme. This will attract committed investment of ₹ 42,500 crore with potential downstream capacity additions of 26 MTPA and generation of 70,000 employment opportunities.
- the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion.
- Infrastructure spending of ₹ 111 lakh crore under the National Infrastructure Plan (NIP) and the National Monetisation Pipeline (NMP) involving ₹6 lakh crore is expected to be completed by FY 2024-25. A full recovery in

aggregate demand is, however, dependent on a better recovery in private investments.

- ₹ 75,000 crore including ₹ 15,000 crore from private sources towards promoting transport infrastructure efficiency to ensure first and last-mile connectivity for ports, coal, steel, and food grain sectors
- Sector-wise, India saw a resurgence in the manufacturing and services sectors. Manufacturing PMI for May 2023 was at 58.70 and Services PMI was at 61.20. India has the potential to become a manufacturing hub of the world as more and more MNCs are looking to make their supply chains less reliant on China and diversify to other developing and emerging economies.
- ₹ 79,000 crore (up 66%) for the PM Awas Yojana Urban to address the urban housing shortage for lower strata of society.
- Gross tax revenues (GTR) grew by 22% year-on-year in FY 2022-23. Goods and Services Tax (GST) collections averaged ₹ 1.51 trillion during the period under review. In March 2023, GST revenues crossed ₹ 1.60 trillion—the highest monthly collection since April 2022. The strong tax revenues indicate buoyant economic activity and enables the government to maintain its healthy spending during the run-up to the General Elections in 2024
- Under the Scrappage Policy 2022, the central and state governments offer a 25% tax rebate on road tax for vehicles purchased after scrapping older ones. This will benefit automotive replacement demand and, in turn, drive steel consumption.

OUTLOOK

India's domestic demand grew 13.3% year on year in FY 2022-23, recording consecutive two years of double-digit growth. Domestic steel demand

is estimated to grow at 7-8% in FY 2023-24, supported by a strong GDP growth forecast, private consumption, Government expenditure, and strong demand from end-user industries such as construction, infrastructure, automobiles, real estate, and consumer durables, enabling steel players to maintain high-capacity utilisation levels. India's capital goods sector is also expected to benefit from the momentum in infrastructure and investment in renewable energy. Automotive and consumer durables are expected to maintain healthy growth, driven by sustained growth in private consumption.

The benefits of easing raw material prices are expected to flow through Q2 of FY 2023-24. Integrated Steel Players will continue to add capacity in FY 2023-24, and utilisation levels are expected to remain healthy at 80%. Further, the rollback of export duties should support exports, though the near-term outlook remains challenging. Against the backdrop of a soft global economic outlook, India remains a bright spot with rising demand for steel.

STRENGTH

Scan Steels is transforming every aspect of its business by embracing the best available and emerging technologies across functions—Corporate, Human Resources, Manufacturing, Mining, Marketing, and Supply Chain. The Company is driving cultural change, augmenting customer experiences, and developing innovative products. Further, through digitalization, the overarching objective is to create sustained value for all stakeholders while enhancing sustainability across the value chain.

Company having fully integrated sufficient steel making multi-location manufacturing facilities and the various plants comprises of:

- ❖ DRI Unit
- ❖ Induction Furnace with Concast

- ❖ Steel Melting Shop
- ❖ TMT Rolling Mills
- ❖ Captive Power Plant
- ❖ Coal Washery

Company has a production Installed capacity of 3,34,400 MT of TMT. The brand name “SHRISHTII TMT” is the renowned household name within Odisha state. It is the largest TMT manufacturing plant in Odisha with total integration. The marketing network of the company is very well organized. It fulfills the demand and requirements of all type of customers in urban area as well as in rural areas.

RISK AND CONCERNS

We operate in a dynamic environment that not only provides opportunities but also exposes the business to various risks. To identify and manage key risks for achieving our strategic objectives, we have put in place a well-defined, robust Risk Management framework that has matured over the past several years.

During FY 2022-23 Overall, its strategic and operational risks were well mitigated and did not disproportionately affect its overall competitiveness. The Company does not perceive any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- shortage of Labour
- rising manpower and material costs,
- Approvals and procedural difficulties.
- Lack of adequate sources of finance.

The Company is exposed to risks from market fluctuations in interest rates and stock market fluctuations in share prices.

Our strategy planning process is guided by the Vision, Mission, and Values of the organisation, along with the strategic direction provided by the Board and Senior Leadership Team. As part of the

process, we examine both the external and internal business environment and factor in potential risks and opportunities that could disrupt the industry. Materiality assessment provides insights into the changing needs of all our stakeholders.

Pursuant to the requirements of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013, the Company has this risk management framework in place. **The Risk Management Committee (‘RMC’)** of the Board provides oversight and sets the tone for implementing the Risk Management framework across the organisation. RMC ensures that our Risk Management framework effectively addresses aspects like: Intended risks are taken prudently to plan for the best and be prepared for the worst; Execution of decided strategies and plans with a focus on action, Unintended risks are avoided. The probability or impact thereof is reduced through executive management, policies, processes, inbuilt system controls, and internal audit reviews, among others.

The risk appetite of the organisation is aligned to the SSL Vision. Risk Appetite is driven by the following:

- The health and safety of our employees and the communities in which we operate are our prime concerns, and our operating strategy is focused on the above objective.
- All business decisions are aligned with the Scan Steel Code of Conduct.
- Management actions are focused on continuous improvement.
- Environment and Climate Change impacts are assessed on a continuous basis.
- The long-term strategy of the Company is focused on generating profitable growth and sustainable cash flows that create long-term stakeholder value.

Risk Owners may accept risk exposure in their Annual and Long-term business plans, which, after implementation of mitigation strategies, is aligned with our risk appetite.

The health and safety of employees and the communities in the vicinity of our operations continues to be the top priority for the Company, while simultaneously ensuring the continuity of our business operations.

A detailed overview on the Few risks landscape and mitigation strategies

Macroeconomic Risks

Overcapacity and oversupply in the global steel industry, as well as increased levels of imports, may adversely affect steel prices, impacting profitability. Fast-paced technological changes and shifting customer preferences may necessitate a change in strategy.

key mitigation strategies Diversification of the product portfolio, Development of alternate markets, etc.

Commodity Risk

Raw materials (mainly coal and iron ore) are a significant contributor to the input cost of steelmaking. These commodities have global supply chains, and their prices get impacted by various factors such as the dynamic geopolitical landscape, supply-demand imbalances, weather patterns, policy interventions by governments in key sourcing and consuming countries (especially China), etc.

key mitigation strategies Developing predictive analytics tools to have advance information on price direction so as to optimise buying decisions helps to curtail the Risk. The captive or domestic raw materials provide another avenue to guard against volatility as they have a relatively stable cost and price. Scan Steels has undertaken a risk assessment to assess the capabilities of key vendors. We proactively engage in assessing the

risk of single-geography sourcing, and mitigations have been put in place to diversify sourcing and/or find alternate materials.

Regulatory Risks

Our operations are governed by various statutes encompassing laws and regulations for the environment and climate change, trade measures, competition, taxes, mining, and others. Any deviation in compliance and adherence has the potential to not only impact our operating performance but also dent our reputation. The continuously evolving regulatory scenario, resulting in changes to the statutory provisions and the introduction of new ones, makes compliance more complex. Non-compliance with increasingly stringent regulatory and environmental norms may result in liabilities.

key mitigation strategies as we have a zero-tolerance policy towards non-compliance, we are continuously scanning the regulatory canvas to understand the changing statutes and their implications that could influence our procurement decisions and market footprint to protect and generate business value. A compliance management system is in place to Focus on compliance. Dialogue with regulatory authorities for greater clarity and availing of legal consultations for timely clearances; Working with industry associations towards simplification of rules; a predictive policy regime; and a transition time for regulatory changes Employees are regularly sensitised about the need to comply and educated about the compliance requirements of the role.

Operational Risks

The steel industry is capital-intensive, and the maintenance of critical assets is vital. The industry is also prone to a high proportion of fixed costs and volatility in the prices of raw materials and energy. Limitations or disruptions in the supply of raw materials could adversely affect the Company's

profitability. Failure of critical information systems or servers that control the Company's manufacturing plants may adversely impact business operations. Conventional maintenance practises may be inadequate to deliver the highest standards of equipment reliability, leading to unplanned interruptions of operational processes.

key mitigation strategies focus on the formulation and execution of advanced maintenance practises to improve plant availability and reliability. Enhancing in-house capability and leveraging past learnings and expertise Establishing sources of supplies from alternate geographies.

Market Related Risks

Steel is a cyclical industry, and excess volatility in the steel and raw material markets may adversely impact the Company's financial condition. Competition from substitute materials or changes in manufacturing processes may lead to a decline in product demand, resulting in a loss of market share.

key mitigation strategies the only way to beat this cycle is by offering solutions. Development of value-added products and enhanced services and solutions Strengthening contractual agreements. Developing strong customer relationships and gaining brand equity requires continued focus on cost and a timely response on cost control to stay competitive.

Occupational Health and Safety Risk

We operate across multiple manufacturing locations and are subject to various stringent safety laws and regulations. Non-adherence to process and workforce safety requirements, safety laws, and regulations may impact business continuity and reputation.

key mitigation strategies We have created a strong safety governance structure and established a robust safety management system. Safety trainings are conducted to meet the

requirements of employees, contractors, and other relevant stakeholders as a part of the safety competency and capability enhancement initiative. Standard operating procedures have been developed and disseminated across the organisation. Periodic Safety inspections and internal and external safety audits ensure that our systems are properly implemented and compiled. Mandatory usage of PPEs such as safety shoes, safety helmets, appropriate hand gloves, etc. is strictly implemented at all our plants. Adherence to these is being implemented and monitored vigilantly to ensure a safe workplace. We invest in training and developing our leaders to cultivate a culture of safety excellence. Through the deployment of best practises, we strive to lead by example and inspire others to prioritise safety.

Supply Chain Risk

The supply chain network is subjected to Weather disruptions, physical and environmental destruction, trade restrictions due to geopolitical tensions, and disruptions at suppliers. The developing rail, road, and port infrastructure, handling facilities, and dependence on outsourced partners may lead to disruption of operations. Also, Political instability is a threat to raw material suppliers.

key mitigation strategies Scan Steels has a dedicated team focused on managing its supply chain. We are continuously working towards diversification in sourcing and expanding our vendor base from other geographies to manage supply chain disruptions. Measures like logistics network optimisation, improving operational capacity at loading and unloading points, and upgrading existing facilities are being undertaken.

Cyber Security Risk

Cybersecurity risks could damage reputations and lead to financial losses. Such threats arise from: Theft of corporate information Theft of financial information (e.g., financial results and

bank details] Ransomware: Cyber extortion Disruption to business (e.g., inability to carry out SAP transactions, online payments) Loss of business or contract

key mitigation strategies Firewall hardening rule sets were implemented, Strengthening the cybersecurity posture Self-assessment and continuous monitoring, A cybersecurity awareness programme was conducted across all locations in view of the growing threats of cyberattacks due to increased online trades and transactions, monitored threats, and responded to, investigated, and remedied cybersecurity-related incidents and data breaches.

FINANCIAL RISK AND MANAGEMENT

The company's few portions of activities are exposed to variety of financial risks i.e., credit risk, liquidity risk and market risk. The company's primary focus is to foresee the unpredictability of financial market and seek to minimize potential adverse effects on its financial performance. The company's financial instruments [excluding receivables from related parties] are influenced mainly by the individual characteristics of each customer. The company's exposure to credit risk is the concentration of risk from the top few customers and the demographics of the customers.

A. Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivable from customer other than government entities. These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of

business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess impairment loss or gain. The company uses a matrix to compute the expected credit loss allowance for trade receivable.

key mitigation strategies Credit risk is managed on instrument basis. For banks and financial institutions, only high rated bank/ institutions are accepted. For other financial instruments, the company assesses and maintains an internal credit rating system. The finance function consists of a separate team who assesses and maintain internal credit rating system. Internal credit rating is performed on a company level basis for each class of financial instrument with different characteristics.

VL1: High-Quality assets, negligible credit risk

VL2: Quality assets, low credit risk

VL3: Standard assets, moderate credit risk

VL4: Sub -standard assets, relatively high credit risk

VL5: Low- quality assets, very high credit risk

VL6: Doubt full assets, credit - impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward - looking information. Especially the following indicators are incorporated:

1. Internal credit rating
2. External credit rating (as far as available)
3. Actual or expected significant adverse changes in business, financial or economic conditions

that are expected to cause a significant change to the borrower's ability to meet the obligation.

4. Actual or expected significant changes in the operating results of the borrower.
5. Significant increase in credit risk on other financial instruments of the same borrower
6. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.
7. Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.
8. Macro-economic information (such as regulatory changes, market interest rate or growth rate) is incorporated as part of the internal rating model.

B. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company treasury maintains flexibility in funding by maintaining available under committed credit lines.

key mitigation strategies Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves, projecting cash flows in major currencies, considering the level of liquid assets necessary,

monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financial plans.

C. Financial Market Risk

The company is not an active investor in equity market. It continues to hold certain investment in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. Accordingly, fair value fluctuations arising from market volatility is recognized in other comprehensive income.

(i) Foreign Currency Risk

The company don't have foreign currency exposure hence no foreign exchange forward contracts are required to hold and to mitigate the risk of foreign exchange fluctuation.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long term borrowings with variables rates, which exposes the company to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed and variable rate using interest rate swaps to archive this when necessary.

The company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount not the future cash flows will fluctuate because of a change in market interest rates.

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

Profit for the period would increase/ decrease as a result of gains/ losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/

decrease as a result of gains/ losses on equity securities classified as fair value through other comprehensive income.

Capital Management

The company's objectives when managing capital are to:

- (a) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) Maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares.

Other key mitigation strategies

Apart from this, there could be an oversupply position due to capacity expansion, the setting up of new projects in the steel industry, and the scarcity of raw materials. Industry is highly labour-intensive and subject to stringent labour laws. Your Company has identified the major thrust areas to concentrate on, which it believes are critical to the achievement of organisational goals. The company annually reviews the 'List of Risk Areas to identify potential business threats, and suitable corrective actions are initiated. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units or divisions. A corporate governance policy clearly laying down the roles, duties, and responsibilities of various entities in relation to risk management is in place.

MEDIUM - TERM AND LONG-TERM STRATEGY

Our strategy planning process is influenced by the Vision, mission, and Values of the organisation, along with the strategic direction provided by the Senior Leadership Team. As part of the process, we examine both the external and internal business environment and factor in potential risks

and opportunities that could disrupt the industry. Materiality assessment provides insights into the changing needs of all our stakeholders. Our long-term strategies and annual business plans are formulated as an outcome of the integrated strategy planning process. The overall strategy and plans are cascaded down to individual divisions or departments with clearly defined responsibilities across all employee levels.

The Company focuses on the following strategy to make its competitive position and progress of the company:

- 1) In-house research, reports from specialised agencies, and interactions with all concerned to help track the macroenvironment
- 2) Internal meetings ensure multi-disciplinary stress testing and regular tracking of assumptions to proactively respond, and a due diligence review before dealing with uncertainties.
- 3) Compliance with norms through selecting the right equipment, processes, competencies, inputs, and Security arrangements like access monitoring systems, vigilance, and mock drills
- 4) The executive committee and other unit or functional meetings closely monitor operational plans; cost optimisation, inventory, collections, and vendor credit Initiatives have been taken up.

SEGMENT WISE PERFORMANCE:

The Company is engaged in only one segment viz. Steel Manufacturing and as such there is no separate reportable segments as per IND AS -108 "Operating Segment."

PRODUCTS AND MARKET PERFORMANCE

It is imperative that we keep pace with the growing needs of our customers, primarily those in the Automotive and Construction sectors. We aim to deliver enhanced benefits through customised services and solutions and value-added products throughout the customer's purchase journey.

A SNAPSHOT

Scan Steels recorded finished steel production, for FY 2022-23, at 1,01,410 MT. Besides this, the company has also produced 1,77,956 MT intermediary steels (i.e., Sponge Iron) in the FY 2022-23.

1. PRODUCT HIGHLIGHTS

1.1 LONGS

Volume

Long products are comprised of almost 50 % of product portfolio (in terms of sales value) in FY 2023. Long products are manufactured at Rambahal & Budhakata unit.

Sector

Long Product in India is largely consumed by Construction & Infra and Industrial & Engineering sector.

2. OPERATIONAL REVIEW

The company is engaged in the manufacturing of TMT Rod, Sponge Iron, MS billets, and ingots, as well as generating power for captive consumption. The Company has a semi-Automatic Rolling Mill.

2.1 Facilities: -

The company has its four Units at different places of India: -

Unit - 1 is situated at Rambahal, At- Keshramal, Rajgangpur, Sundergarh (Odisha) with the facilities of Rolling Mills - 2, Sponge Iron-2, Induction Furnace - 2.

Unit - 2 is situated at Gangajal, Budhakata, Sundergarh, Odisha with the facilities of Sponge Iron- 4, SMS Billet Caster -3, Captive Power Plant - 1 and Coal Washery -1.

Unit - 3 is situated at Bai-bai, Tudalaga, Sundergarh, Odisha with the facilities of Induction Furnace - 2.

Unit - 4 is situated at Vill- Veniveerapura, Bellary, Karnataka with the facilities of Sponge Iron 2.

2.2 Overview

Scan Steels is an Integrated Steel Plant. It manufactures TMT Bars to fulfill the requirement of the state. It is a local brand in Odisha.

2.3 Turn Over: -

Gross turnover, including other incomes, for the year 2023 stood at ₹ 1096.78 lakhs, which was around 9.42% upward in comparison to fiscal 2022. During the year, the company initiated the trading of steel products during the period of installation of a new rolling mill and achieved a trading turnover of ₹ 7333.24 lakhs, compared to ₹ 145.66 lakhs for the last fiscal year. Your company continues to focus on the quality and strength of its products. Your Company has initiated steps to explore new markets in addition to developing existing ones.

2.4 Quality: -

Your Company continues to concentrate on quality, and the strict adherence to this policy continues to benefit your company in price realisations.



3 FINANCIAL PERFORMANCE

Highlights FY 2022-23

Financial Data	2022-23	2021-22	Growth (%)
Total Income	1096.78	1,002.34	9.42
Operating EBITDA	48.60	85.45	(43.12)
EBIDTA margin (%)	4.43 %	8.53%	(48.07)
Depreciation and amortization expenses	13.29	12.81	3.75
Interest Cost	19.31	8.94	115.99
Profit before Exceptional Items	22.00	65.86	(66.59)
Exceptional Items	-	-	
PAT	15.32	50.77	(69.82)
Earnings per shares (diluted)	2.93	9.70	(69.79)

Note: The figures in bracket shows negative

Other key Financial Indicators:

SL. NO.	RATIOS	2022-23	2021-22	CHANGE	%CHANGE
1	Debtors Turnover (No. Of days) *	16	8	8	(50.00)
2	Inventory Turnover (No. Of Days)	47	46	1	(2.17)
3	Interest Coverage Ratio **	2.52	9.80	(7.28)	(74.29)
4	Current Ratio	1.84	2.26	(0.42)	18.58
5	Debt –Equity Ratio	0.31	0.30	0.01	(3.33)
6	Operating EBITDA (Margin %) #	4.43	8.53	(4.10)	(48.07)
7	Net Profit Margin (%) #	1.40	5.07	(3.67)	(72.43)
8	Return on Net worth (%) #	4.19	14.47	(10.28)	(71.04)

Note:

*Trade receivables turnover is high due to slow collection from debtors

** Interest coverage ratio has gone down due to payment of RoR amount to State Bank of India amounting to ₹ 1041.51 lakhs

#Operating EBITDA, Net Profit and Return on Net worth have gone down due to higher input cost in respect to procurement of energy.

^The figures in bracket shows negative

4 OPERATIONAL PERFORMANCE

4.1 PRODUCT WISE GROSS SALES: Breakup (₹ in crores)

PRODUCT	2022-23	2021-22	% CHANGE
TMT REBARS	546.85	539.86	1.29 %
SPONGE IRON	142.54	227.12	-37.24%
MS INGOT/MS BILLET	272.65	194.36	40.28%

4.2 PRODUCT WISE SALES QUANTITY: Breakup (Qty in MT)

PRODUCT	2022-23	2021-22	% CHANGE
TMT REBARS	1,01,599	1,09,469	- 7.18%
SPONGE IRON	44,356	75,456	-41.21%
MS INGOT/MS BILLET	59,174	43,974	34.56 %

In the financial year 2022-23, the company's TMT Rebar turnover improved by 1.29%, whereas quantity movement of the same product stood at 7.18% lower than FY 2021-22, showing a higher realisation price per MT of TMT sale.

FINANCIAL MANAGEMENT

Senior management reviews the requirement for funds for projects under implementation periodically, and after assessing the financial market, decisions are taken to identify the lenders. A part of the fund requirement is arranged by way of borrowing from Banks on competitive terms, and the balance is met from internal accruals.

The finance department is working at the Bhubaneswar & Factory establishment and is manned by qualified and experienced personnel. The department properly records all financial transactions, and proper financial reports are periodically sent to senior management. Proper controls are in place, and audits are conducted regularly.

INDUSTRIAL RELATIONS AND HUMAN MANAGEMENT

Our communities, customers, and suppliers are critical to our business continuity and social licence to operate. We believe in building long-

term, transparent, and trust-based relationships with them through continuous stakeholder engagement and innovation. We aim to strengthen the supplier relationships by holding vendors meet and supplier relationship programmes.

We recognise that the success of our business relies on the integral role played by our suppliers and business partners. Our key focus areas are Timely Payment, continuity of orders, capacity building, which helps in Sustainable supply chain practises, and Local procurement. As one of our core stakeholders, they ensure the seamless operation of our business and contribute to our achievements. We firmly believe in establishing mutually beneficial relationships by selecting partners who align with our values, business ethics, and commitment to sustainable practises.

The total number of employees as of March 31, 2023 was 2002. The corner stone of Scan Steel's ambitions for becoming a bigger, better, and more efficient steel producer rests on the drive and ability of its people. The Human Resources Department (HRD) works continuously to maintain healthy working relationships with workers and other staff members. We embrace diversity and inclusivity in our workforce, fostering equal opportunities for all, regardless of gender, age, ethnicity, religion, or background. Our recruitment policy champions

a rich tapestry of talent, uniting individuals from diverse areas of expertise, cultures, and age groups. Through our comprehensive strategy, we forge an inclusive workforce, empowering women and minority groups to actively contribute and thrive.

The Company has adopted a progressive employee-friendly policy for helping employees develop their organisational skills, knowledge, and abilities to achieve efficiency while keeping them in-step with the latest technologies and industry-relevant skills. To enable the organisation to attain its full potential, it is imperative for us to create and maintain an ideal work culture, thus creating an engaged and skilled workforce capable of delivering on the commitments to our stakeholders and, in the process, making us 'Future Ready—structurally, financially, and culturally. Training programmes are regularly conducted to update their skills and apprise them of the latest techniques. Senior management is easily accessible for counselling and redressal of grievances. The HR department continuously strives to maintain and promote harmony and coordination among workers, staff, and members of senior management. Social awareness and cultural and sports programmes are arranged regularly to create interest in living a meaningful life and release tensions.

INTERNAL FINANCIAL CONTROL SYSTEMS AND INTERNAL AUDIT

The Company has an Internal Financial Controls ('IFC') framework commensurate with the size, scale, and complexity of the Company's operations. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The Audit Committee regularly reviews audit plans, significant audit findings, the adequacy of internal controls, compliance with accounting standards, and so on. The internal control framework has

been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with the requirements of the Companies Act, 2013.

The Company believes in systematic work and the placement of proper checks. Proper systems are in place, and regular reviews are held at higher levels to check the efficacy and relevance of these systems. These reviews also prescribe changes wherever required. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions. Business heads are responsible for ensuring compliance with these policies and procedures. Robust and continuous internal monitoring mechanisms ensure the timely identification of risks and issues. The internal auditors of the company conduct audits of various departments and areas. Their reports are placed before the Audit Committee, which reviews these reports and the comments and suggestions of the Internal Auditors. The Audit Committee also oversees financial systems, procedures, and internal controls and is competent to request any information or document from any department. The management, statutory auditors, and internal auditors have also carried out adequate due diligence on the control environment of the Company through rigorous testing.

The scope and authority of the Internal Audit function are defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk

profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance with the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the company and their compliance with operating systems, accounting procedures, and policies at all locations of the Company.

Based on the report of the internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee, at its meetings, reviews the reports submitted by the Internal Auditor. Also, at frequent intervals, the Audit Committee has independent sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

STATUTORY COMPLIANCE

The Company has in place adequate systems and processes to ensure that it is in compliance with all applicable laws. The Company Secretary is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and ensuring that the systems and processes are operating effectively. The Chief Financial Officer places a certificate before the Board at each meeting where the Financial Results are approved about the Fairness of the data. The Company Secretary also confirms compliance with Company law, SEBI regulations, and other corporate laws applicable to the Company. Through Stringent compliance measures, we guarantee transparency and maintain the integrity of our operations.

CORE VALUES AND CULTURE

Corporate success is based on certain core values and the corporate culture developed by the

Company. Ethics are at the core of our operations. Our Code of Conduct prohibits corrupt practises, conflicts of interest, and unethical conduct. We emphasise information security and foster ethical competition, creating an environment of trust and integrity. Underlying this is a firm belief that teamwork and motivation rooted in fairness are the keys to success in business. The group sets benchmarks for itself in these areas and strives to achieve them, believing in seeking the active participation of everyone in decision-making rather than relying on the imposition of central diktats. Quality, productivity, and optimal utilisation of resources—human and material—woven around the concept of the welfare of the community as a whole are central to the management's philosophy.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) programmes of Scan Steels strive to make a difference in the communities around its area of operations. And ensure that all developmental activities and initiatives undertaken are accessible to the most marginalised segments, such as children, women, the elderly, and those with disabilities. This would reflect particularly in the fields of education, healthcare, sanitation, community welfare, skill development, employment generation, infrastructure development, and sustainable livelihoods. We intend to collaborate with key stakeholders, especially the local administration and institutions, to facilitate development through initiatives in the mentioned thematic areas. The initiatives are strategically designed on the basis of community needs assessment, mapping, participatory planning, and local feasibility. The CSR programmes supplement the local government's efforts in development, besides striving to have the communities own the initiatives and sustain their impact over time. Most of our programmes are centred in and around Sundergarh and other districts of Odisha

RESEARCH AND DEVELOPMENT A PRIORITY:

A research and development focus has provided strong scientific support to the group's quantitative growth with continuing enhancements in the quality of the product. The research and development policy keeps the group's long-term interests in view and believes in anticipating the needs of the future. It is committed to modernization and encourages it in every field.

CAUTIONARY STATEMENT

This report contains projections, estimates, expectations, etc., which are just "forward-looking statements". Actual results could differ from those expressed or implied in this report. Important factors that may have an impact on the Company's operations include economic conditions affecting demand, supply, and price conditions in the domestic and overseas markets, changes in government regulations and policies, tax laws and other statutes, and other incidental

factors. The Company assumes no responsibility to publicly modify or revise any forward-looking statements on the basis of any further events or new information. Actual results may differ from those mentioned in the report.

CONCLUSION

At Scan Steels, innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities for creating a better future. Whether by developing high-strength steel or offering new solutions for construction and mobility, we relentlessly focus on delivering products that are synonymous with quality and durability. We also deploy the best available technologies and processes to drive resource efficiency and develop materials of the future that are superior, sustainable, and affordable. We have focused on strengthening our balance sheet, upholding the highest standards in ethical and responsible business practises, and striving towards a shared future of prosperity.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Ankur Madaan,
Whole- Time Director
(DIN: 07002199)

Sd/

Praveen Patro,
Director
(DIN: 02469361)

Place: Bhubaneswar

Date: 25th August, 2023

CORPORATE GOVERNANCE REPORT

(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended).

In accordance with Regulation 34 and Schedule V read with compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended the report containing the details of Corporate Governance systems and processes at Scan Steels Limited is as follows:

At Scan Steels Limited (SSL) Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder's value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance System, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of business. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. We have created a strong system of governance that is built on two essential foundations; transparency and integrity. Our leadership team comprises a seasoned and erudite Board with multifaceted expertise, supported by a team of skilled professionals in senior management, working together, the Board and Senior Management

uphold our core values and principle, serving as guardians of our governance system.

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered at extremely competitive prices.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders'

interests are taken into account, before making any business decision.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

The Corporate Governance framework of the Company is based on the following broad practices:

- a) Engaging a diverse and highly professional, experienced and competent Board of Directors, with versatile expertise in industry, finance, management and law;
- b) Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organisation;
- c) Adoption and implementation of fair, transparent and robust systems, processes, policies and procedures;
- d) Making high levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- e) Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements and zero tolerance for non-compliance.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established various Committees to discharge its responsibilities in an effective manner. SSL's Company Secretary acts as the Secretary to all the Committees of the Board

constituted under the Companies Act, 1956 / Companies Act, 2013. The Whole- Time Director (WTD) provides overall direction and guidance to the Board. Concurrently, the WTD is responsible for overall implementation. In the operations and functioning of the Company, the WTD is assisted by One Executive Director and a core group of senior level executives.

Audits and internal checks and balances

The Company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports and ensure compliance with statutory laws, regulations and Company policies. M/s. SRB & Associates, Chartered Accountants, audit firm audit the accounts of the Company. The Company has an Internal Audit Cell besides external firms, and M/s. Dalaniya & Associates, Chartered Accountants, acting as independent internal auditors for the F.Y 22-23 that review internal controls and operating systems and procedures, Auditors have access to all records and information of the Company. A dedicated Legal Compliance Cell ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances. The Board and the management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever necessary. The Board recognises the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company.

Best Corporate Governance practices

SSL maintains the highest standards of Corporate Governance. It is the Company's constant Endeavour to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies.

Some of the best implemented global governance norms include the following:

- All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders' Relationship Committee of Directors.
- The Company's internal audit is also conducted by independent auditors.
- Internal Audit is conducted regularly and report on findings of Internal Auditor are submitted to the Audit Committee on quarterly basis.
- The Company also undergoes quarterly secretarial audit conducted by an independent company secretary who is in whole-time practice. The quarterly secretarial audit reports are placed before the Board and the annual secretarial audit report placed before the Board, is included in the Annual Report.
- Observance and adherence of the Secretarial Standards issued by the Institute of Company Secretaries of India.

Ethics/Governance Policies

At SSL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies in line with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to carry out our duties in an ethical manner. Some of these codes and policies are as follow and the detailed code and / or Policies can also be accessed from the website of the Company at <https://scansteels.com/ssl-policies/> and <https://scansteels.com/policies-and-code/> in Investors Relations segment:

- Code of Conduct for Directors & Senior Management and Independent Directors of

Scan Steels Limited

- Familiarisation Programme for Independent Directors (IDs)
- Performance Evaluation Policy of Directors of Scan Steels Limited
- Sexual Harassment Policy
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives
- Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information, or Suspected Leak of Unpublished Price Sensitive Information
- Vigil Mechanism and Whistle Blower Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Policy of Internal Financial Control
- Policy on Disclosure of Material Events and Information
- Corporate Social Responsibility Policy
- Policy on Preservation of Documents & Archival of Documents on the Website.
- Risk Management Policy
- Policy on Board Diversity
- Policy on Succession Planning for the Board and Senior Management
- Policy with respect to obligation of Directors and Senior Management

Policy for Selection of Directors and determining Directors Independence is attached as Annexure 'C' and Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other

Employees is attached as Annexure 'D' to the Board Report.

Your Company confirms the compliance of corporate governance requirements specified in regulation 17 to 27 (except Reg. 24) read with Schedule V and clauses (b) to (i) (except h) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations"), the details of which are given below:

BOARD OF DIRECTORS:

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

The Board of Directors (The Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. The management committee of the Company is headed by the Whole-Time Director and has functional heads as its members, which looks after the management of the day-to-day affairs of the Company.

Chairman of the Board

Mr. Rajesh Gadodia, (DIN 00574465) has been appointed as non-executive chairman of the board w.e.f. 24.05.2016 on the recommendation received from the Nomination and Remuneration Committee.

Responsibilities of the Chairman, and Whole-Time Director

The Company has appointed a non-executive chairman of the Board (the Chairman) – Mr. Rajesh Gadodia, and a Whole-Time director Mr. Ankur Madaan w.e.f 24.05.2016.

The responsibilities and authority of these officials are as follows:

The chairman is the leader of the Board. As Chairman, he is responsible for fostering and promoting the integrity of the board while nurturing a culture where the board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company.

The Chairman takes a lead role managing the Board and facilitating effective communication among directors. He is responsible for matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees, and the performance of individual directors in fulfilling their responsibilities. The chairman provides independent leadership of the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities such as meeting, schedules, agendas, communication and documentation.

The Chairman actively works with the nomination and remuneration committee to plan the Board and Board committees' composition, induct director to the Board, plan for director succession, participate in the Board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

The WTD is responsible for corporate strategy, brand equity, planning, external contacts and all matters related to the management of the company. He is also responsible for achieving annual and long-term business targets.

Board Leadership

A majority of the Board, 3 out of 6, are Independent Directors. At SSL, it is our belief that an enlightened Board consciously creates a culture of leadership

to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the Board and Board Committees.

These guidelines seek to systematize the decision-making process at the meeting of the Board and Board Committees in an informed and efficient manner.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the Board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the Board (in consultation with Audit Committee) reviews related party transactions, possible risks and risk mitigation measures, financial reports from the CFO and business reports from each of the sector heads. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

Composition

The Board of Scan Steels Limited Comprises Executive and Non-Executive Directors. The Non-Executive Directors include Independent Directors and Non-Executive Chairman of the Company.

(a) The Company has composition of Executive and Non-Executive Directors. **As on 31 March 2023**, the Board consisted of Six Directors. Out of which 3 (Three) directors is Non-Executive & Independent Directors which include one woman director (Mr. Shravan Kumar Agrawal, Mr. Punit Kedia and Mrs. Debjani Sahu), (The number of Independent Directors is 3 which is in compliance with the stipulated one half of the total number of Directors.) One Executive

Director (Mr. Praveen Kumar Patro) and one Whole- Time Director (Mr. Ankur Madaan) and The Non-Executive Chairman of the Company who is also the promoter of Company (Mr. Rajesh Gadodia). The composition of the board is in conformity with Reg. 17 of the SEBI (Listing Regulation), 2015 read with Section 149 and 152 of the Companies Act, 2013.

During the Year under Review (2022-2023) Mr. Praveen Kumar Patro (DIN: 02469361) was appointed as an Executive Director of the Company designated as Director – Project, for a second term of 5 (five) consecutive years with effect from 30th May 2023 to 29th May 2028 and Members approval accorded for the same at the 29th Annual General Meeting of the Company held on 29th September, 2022.

(b) None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees (as specified in Regulation 26 (1) of SEBI ("LODR") Regulations, 2015) across all the Public Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies as on March 31, 2023 have been made by the Directors. None of the directors of the Company holds office as a director, including as an alternate director, in more than twenty companies or 7 listed companies at the same time. None of them has directorships in more than ten public limited companies. And none of the NEDs serve as IDs in more than Seven Listed Companies and none of the Executive or whole- time Directors serve as IDs on any listed company. No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.

(c) The Company had no pecuniary relationship or transactions with the Non-Executive

Directors during FY 2023. The Independent Directors are not related to promoters or persons occupying management positions at the Board level or any level below the Board; they were neither in employment for the last three years nor they are material suppliers, service providers, customers, a lessor, or a lessee of the Company, which may affect their independence. They do not hold substantial shares in the Company. All these directors are above 21 years of age, Board of the Company Confirmed that independent directors fulfill the conditions specified in Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of Companies Act, 2013 and are independent of the management.

- (d) All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. Independent directors are non executive directors as defined under Reg 16(1) (b) of SEBI (Listing Regulations), 2015 read with Section 149(6) of the Act along with rules framed thereunder. All Independent Directors meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). Maximum Tenure of Independent directors is in compliance with the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists

or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, the Independent Directors have declared that they have complied with Rule 6(1) & (2) of the companies (Appointment and Qualification of Directors) Rules, 2014 read with Amendment Rules from time to time.

- (e) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year (FY 2022-2023) and the number of Directorship and Committee Chairmanships/ Memberships held by them in other Companies are given herein below. Chairmanships/ Memberships of the Board Committees include only Audit and Stake Holders Relationship Committee.
- (f) In accordance with the SEBI Listing Regulations 2015, no employee, including key managerial personnel or director or promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during the financial year 2022-23.
- (g) The Information stipulated under Part A of Schedule II of SEBI (LODR Regulations) is being made available to the Board.

*Details Regarding Appointment and Re- appointment of all the Board of Directors has been detailed in the Director's Report.

Name	Designation	Category	Directorships & Committee Position		
			Directorships *	Committee Memberships#	Committee Chairmanships#
Mr. Rajesh Gadodia	Chairman	Promoter, Non-Executive	2	-	-
Mr. Ankur Madaan	Whole-Time Director	Executive, Non-Promoter	1	2	-
^Mr. Praveen Kumar Patro	Director	Executive, Non-Promoter	1	-	-
Mr. Shravan Kumar Agrawal	Independent	Non-Executive & Independent	1	2	2
Mr. Punit Kedia	Independent	Non-Executive & Independent	1	2	-
Mrs. Debjani Sahu	Independent	Non-Executive & Independent	1	-	-

^Mr. Praveen Kumar Patro was re-appointed as an Executive Director of the Company designated as Director – Project, for a second term of 5 (five) consecutive years w.e.f 30th May 2023.

*Directorship includes only Indian Public Companies Whether Listed or not including Scan Steels Limited has been considered. (Scan Steels Ltd. Is the only Listed Co. where the Directors of the Company hold Directorship in the Listed Company)

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships /Chairmanships of only Audit Committee, Stakeholders Relationship Committee in all public limited companies Whether listed or not including Scan Steels Limited have been considered.

Note:

1. As required under the Indian Accounting Standard 24 transaction with related parties are furnished under note 32 of notes on accounts. There were no transactions of material nature with Promoter Directors or their relatives, etc. that may have potential conflict with the interest of the company. With regards to disclosure received from Directors and senior management there was no transaction with the company which might have potential conflict with the interest of the company at a large.
2. There are no inter-se relationships between our Board Members.
3. The details of familiarization programmes imparted to Independent Directors can be access at the website of the Company at <https://scansteels.com/wp-content/uploads/2023/06/DETAILS-OF-FAMILIARISATION-PROGRAMMES.pdf>

PROFILE OF THE BOARD OF DIRECTORS

MR. RAJESH GADODIA

Mr. Rajesh Gadodia (DIN: 00574465) aged about 50 years is a Non- Ex Chairman and one of the Promoters of the Company, he is a Mechanical Engineer and has more than 28 years of industrial and business experience, primarily in the steel sector with hands on experience of setting up green field projects. He is primarily involved in business development activities of the company and manages the distribution network of the company in the coastal, northern and southern region of Odisha and southern India operation. In finance he had the exposure in Treasury, Accounting, MIS, Forex Risk Management, Taxation, IT and all other related areas with exposure in India and overseas. He is responsible for transforming Scan Steels into a leading player in the steel industry.

MR. ANKUR MADAN

Mr. Ankur Madan (DIN:07002199) aged about 33 years is a Whole-time Executive Director of the company. He is a Commerce Graduate and has more than 11 years of industrial and business experience in steel sector. He is involved in administration, production, & purchase.

MR. PRAVEEN KUMAR PATRO

Mr. Praveen Kumar Patro (DIN: 02469361), aged about 50 years is an Executive Director (Director-

Project) of the company. He is a B.Tech (Electric) having more than 25 years of industrial and business experience in steel sector. He is involved in Projects and operations of the Company.

MR. PUNIT KEDIA

Mr. Punit Kedia (DIN: 07501851) aged about 33 years is an Independent Director of the company. He is a commerce graduate and has wide experience in steels sector.

MR. SHRAVAN KUMAR AGRAWAL

Mr. Shравan Kumar Agrawal (DIN 09139761) aged about 39 years is an Independent Director of the company. He is Graduate in commerce, and a qualified CS, CMA, PGDMA (Finance), CA (Inter), and having more than 9 years' experience in the corporate sector and has excellent Command in the field of Finance, Legal and Administration.

MRS. DEBJANI SAHU

Mrs. Debjani Sahu, (DIN:02674022) aged about 45 years, is an Independent Woman Director of the Company. She is a Graduate in Arts and having over decades of experience in the field of Human Resource, Administration, Sales & Marketing in retails and Steel Sectors.

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

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments with the help of Industry Knowledge and Technical Skills.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values with the help of Behavioral Competencies.

Further, in context of above the Board had in its meeting held on January 31, 2023 identified the names of directors who have such core skills/expertise/competencies as required in the context of the Company's business(es) and sector(s):

Sr No.	skill/Expertise/Competencies	Names of Directors who have such Skill/Expertise/Competencies					
		Mr. Rajesh Gadodia	Mr. Ankur Madaan	Mr. Praveen Patro	Mrs. Debjani Sahu	Mr. Shravan Agrawal	Mr. Punit Kedia
01	Industry Knowledge/Experience						
	Industry Experience	√	√	√		√	√
	Knowledge of Sector	√	√	√		√	√
	Knowledge of Government/Public Policy	√	√	√			
02	Technical Skills/Experience						
	Projects	√		√			
	Accounting	√	√	√		√	√
	Finance	√	√	√		√	√
	Law	√	√	√		√	
	Marketing Experience	√	√	√	√		
	IT and Digital Outreach	√					
	Public Relations	√	√	√	√	√	√
	Risk Management Systems	√	√	√	√		
	Human Resources Management				√	√	
	Strategy Development and implementation	√	√	√			
	Diversity	√	√	√		√	
03	Governance Competencies						
	Strategic Thinking/Planning from governance perspective	√	√	√	√	√	√
	Executive performance management	√	√	√			
	risk management	√	√	√	√		
	Compliance focus	√	√	√		√	√
	Profile/Reputation	√	√	√	√	√	√
04	Behavioural Competencies						
	Ability and willingness to challenge and probe	√	√	√	√	√	√
	Sound Judgement	√	√	√	√	√	√
	Integrity and High ethical standards	√	√	√	√	√	√
	Leadership/Mentoring abilities	√	√	√	√	√	√
	Interpersonal relations	√	√	√	√	√	√
	Listening skills	√	√	√	√	√	√
	Verbal Communication Skills	√	√	√	√	√	√
	Understanding of effective decision-making processes	√	√	√	√	√	√
	Willingness and ability to devote time and energy to the role	√	√	√	√	√	√

Board membership criteria

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required age, qualifications, integrity, expertise and experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully for the position. They should also possess deep expertise and insights in sectors/areas relevant to the Company, and ability to contribute to the Company's growth. No discrimination is made on the basis of religion, caste, creed or gender.

The age limit for managing director/executive director/independent director is 70 years and non-executive director is 75 years. A director's term may be extended at the discretion of the Board/committee beyond the age of 70 and 75 years with shareholder approval by passing a special resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond 70 and 75 years.

Provided that in case of Whole-time Director/Managing Director / Manager where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

The Board members are expected to rigorously prepare for, attend and participate in all board and applicable committee meetings. Each member is

expected to ensure that their other current and planned future commitments do not materially interfere with their responsibilities with us.

Directors' Induction and Selection of new directors

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Whole Time Director & CFO and the Company Secretary are jointly responsible for ensuring such induction. The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the nomination and remuneration committee, which consists exclusively of independent directors. The nomination and remuneration committee makes recommendations to the Board on the induction of new directors based on qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. After getting appointed, the Directors receive a formal letter of appointment which inter alia explains the role, functions, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the compliances required to be made under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations, 2015") and other relevant regulations.

Familiarization programme for Board Members

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a Whole. To this end, The Board members were given presentations on the global

business environment, as well as all business areas of the Company including business strategy, risks opportunities, they are also provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The management provides such information and training either at the meeting of Board of Directors or otherwise.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company.

The Details of such Familiarizations Programmer for Directors are posted on the Website of the Company and can be accessed at www.scansteels.com - Investor Relations Segment.

Membership term

The Board constantly evaluates the contribution of the members, the Directors of the Company (except Nominee Directors if any,) are appointed by the shareholders at General Meetings and Company periodically shares updates with the shareholders about appointment/re-appointment consistent with applicable status. The current law in India mandates the retirements of two-third of the total non-independent directors (who are liable to retire by rotation) every year, accordingly, All Executive Directors, including Non-Executive Chairman, are subject to retirement by rotation and at every Annual General Meeting, 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company.

Executive directors are appointed by the shareholder for a maximum period of five

years, but are eligible for re-appointment upon completion of their term. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

Shareholders' approval for appointment of a person on the board of directors will be taken at the next annual general meeting or within a time period of three months from the date of appointment whichever is earlier.

As per Section 149(10) of the Companies Act, 2013, an independent director shall hold office of a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a special resolution by the Company read with Section 149(11) of the Companies Act, 2013. upon completion of two consecutive terms Independent Director shall be eligible for appointment only after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

As per Reg. 25(2A) of LODR 2015, The Appointment, re-appointment or removal of an independent Director shall be subject to the approval of shareholders by way of special resolution.

An independent director who resigns or is removed from the Board of the company will be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

No independent director, who resigns from a company, shall be appointed as an executive / whole time director on the board of the company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

Performance evaluation

In compliance with the Section 134(3) [p] and Section 178 (2) of the Companies Act, 2013 read with Regulation 17 (10), 19 (4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors and the policy has been framed / approved by the Nomination and Remuneration Committee and Board and can be accessed from the website of the Company at <https://scansteels.com/ssl-policies/> - Investor Relations Segment.

The Board carried out an annual performance evaluation of its own performance, the individual Directors, as well as the evaluation of the working of the Committees of the Board. The performance evaluation of the Non-Independent Directors, Board / Chairman was carried out by the Independent Directors. The performance evaluation of the Independent Directors was carried out by the entire Board in compliance with the Companies Act, 2013 which includes performance of the directors; and fulfillment of the independence criteria as specified in these regulations and their independence from the management. The directors who are subject to evaluation shall not participate.

The performance evaluation of all the Directors/ its committees and / or Board as a whole was also carried out by the Nomination and Remuneration Committee and NRC also review its implementation and compliance.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the Governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention

to establish and follow “best practices” in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board’s time and increased effectiveness of the Board as a governing body.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The Observations of board evaluation is carried out for the year. There were not any previous year’s observations on which Board needs to take any actions to resolve them. Further, in current year also Board Performance was evaluated on following criteria and it seems that no immediate Proposed actions to be taken regarding the same.

Some of the key criteria for performance evaluation, as laid down by the Company are as follows-

Performance evaluation of Directors:

- Contribution at Board / Committee meetings
- Guidance / Support to Management outside Board / Committee Meetings

Performance evaluation of Board and Committees:

- Board structure and composition
- Degree of fulfillment of key responsibilities

- Establishment and delineation of responsibilities to Committees
- Effectiveness of Board Processes, Information and Functioning
- Board Culture and Dynamics
- Quality of relationship between the Board and Management
- Efficacy of communication with External Stakeholders
- Committees – strengths and areas of improvement

The Directors expressed their satisfaction with the evaluation process.

Succession planning

The nomination and remuneration committee works with the Board on the leadership succession plan, and prepares contingency plans for succession in case of any exigencies. Policy on succession planning for the Board and Senior Management can be accessed at: <https://scansteels.com/ssl-policies/>

INDEPENDENT DIRECTORS

Definition

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an 'Independent Director' as a person who is not a promoter or employee or one of the Key Managerial Personnel of the Company or its subsidiaries. The Laws also state that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries if any, apart from receiving remuneration as an independent director. We abide by these definitions of independent director.

Selection of Independent Directors

In Compliance with Rule – 6 of Companies Appointment and Qualification of Directors Fifth

Amendment Rules 2019 and considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. For every appointment of an independent director, the Nomination and Remuneration Committee shall inter-alia consider qualification, positive attributes, area of expertise and evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description, committee shall also take in to account the number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

A statement, in connection with fulfilling the criteria of independence and directorships as per the requirement of the provisions of the Companies Act, 2013 ("the Act") and the Regulation 25 of SEBI LODR received from each of the Independent Directors, is disclosed in the Board's Report. Your Company had also issued formal appointment letters to all the Independent Directors (including terms and conditions of appointment of Independent Directors) in the manner provided under the Act. As per Regulation 46 of SEBI Listing Regulations and Section 149 read with

schedule IV of the Act, Terms and conditions for appointment of Independent Directors are available on the website of the Company and can be accessed at <https://scansteels.com/policies-and-code/> - Investor Relations Segment.

Code of Conduct

The Company has prescribed Code of Conduct for its directors and senior management. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website (<https://scansteels.com/policies-and-code/>). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. The declaration from the Whole- Time Director stating that as on 31 March 2023 all the board members and the senior management personnel of the Company have adhered to the code of conduct for FY 2023 and the same has been included in this report duly signed by the Whole- Time Director of the Company.

BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES:

A. INSTITUTIONALISED DECISION-MAKING PROCESS:

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the stakeholders are being served. The Chairman is assisted by the Executive Directors/ Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Five Standing Committees, namely, Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee including Sexual Harassment Committee. The Board constitutes additional functional committees, from time to time, depending on the business needs.

B. SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS:

- i. A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- ii. The meetings are usually held either at the Company's Registered Office at Mumbai, or at corporate office at Bhubaneswar and plant location at Rambahal (Odisha)
- iii. All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/ decision at the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same can be included in the Agenda for the Board/Committee Meetings.
- iv. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant issues.
- v. The Board is given presentations covering present steel scenario, Indian Economy,

Company's Financials, Sales, Production, Business Strategy, Competitor's Performance and Risk Management practices before taking on record the Quarterly/ Half Yearly/ Nine Monthly/ Annual financial results of the Company.

The Board is also provided with Audit Committee observations on the Internal audit findings, matters to be approved and noted by the Audit Committee in compliance with the Act and Regulations, or for that matter, by any Board Committee, and also 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 Companies Act, 2013.

C. DISTRIBUTION OF BOARD AGENDA MATERIAL:

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are considered.

D. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS:

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting at any time before the next Meeting

is held/ Chairman of the next meeting at the next Meeting as per clause 7.6.1 of Revised SS-1. As per clause 7.6.4 of Revised SS-1, All the Directors of the Company had waived their right to receive the Copies of the signed Minutes by giving their consent in writing for such waiver and the same is recorded in the Minutes.

E. POST-MEETING FOLLOW-UP MECHANISM:

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned functional Heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

F. COMPLIANCE:

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder and Secretarial Standards.

G. AVAILABILITY OF INFORMATION TO BOARD MEMBERS:

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited.

Following are a few points on which the board is provided with Regular updates, among other applicable requirements:

- Annual operating plans and budgets, capital budgets and updates

- Quarterly results of our operating divisions or business segment(s)
- Minutes of meetings of audit, nomination and remuneration, risk management, stakeholders' relationship, and corporate social responsibility committees, and other committees of Board constituted as and when needed and abstracts of circular resolution passed
- General notice of interest received from directors
- Dividend date, if any.
- Information on recruitment and remuneration of senior officers below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary, if any
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous occurrences, and issues related to material effluents or pollution
- Any materially relevant defaults in financial obligations to and by us
- Any issue that involves possible public or product liability claims of a substantial nature
- Details of joint ventures, acquisitions of companies, or collaboration agreements
- Transactions that involve substantial payments toward goodwill, brand equity or Intellectual Property (IP)
- Any significant development involving human resource management
- Sale of a material nature, or of investment, assets, which are not part of the normal course of business
- Details of foreign exchange exposure if any, and the steps taken by the Management to limit risks of advance exchanges rate movement
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholders services, such as non-payment of dividend and delays in share transfer
- Quarterly compliance reports and investor grievance reports
- Discussion with independent directors

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Details of board meetings during the financial year:

During the financial year 2022-23, Twelve meetings of the Board were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

The dates on which the said meetings were held are as follows:

Sr. No.	Date	Board Strength	No. of Directors Present
1	11th April, 2022	6	6
2	06th May, 2022	6	6
3	20th May, 2022	6	6
4	16th June, 2022	6	6
5	30th July, 2022	6	6
6	25th August, 2022	6	6
7	11th September, 2022	6	6
8	04th November, 2022	6	6
9	02nd December, 2022	6	6
10	05th January, 2023	6	6
11	31st January, 2023	6	6
12	31st March, 2023	6	6

Attendance of each Director in the Board Meetings during the financial year and the Last Annual General Meeting is detailed herein below:

Sr. No.	Name of the Director	No. of Board Meeting Attended	Attendance at the Last AGM held on 29.09.2022	No. of Shares held in the Company
1	Mr. Rajesh Gadodia	12	No	5463350
2	Mr. Ankur Madaan	12	Yes	NIL
3	Mr. Praveen Kumar Patro	12	Yes	NIL
4	Mr. Punit Kedia	12	Yes	NIL
5	Mr. Shravan Kumar Agrawal	12	Yes	02
6	Mrs. Debjani Sahu	12	Yes	NIL

*Mr. Gobinda Chandra Nayak, KMP and Chief Financial Officer of the Company held 250 shares as on 31.03.2023

MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the other Independent Director. They can also discuss about their views with Executive Directors of the Company.

The Independent Directors of the Company had met during the year on 31.01.2023, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the

Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

- All the Independent Directors were present at the Meeting.

In compliance with the Regulations 25(7) and 46 of SEBI Listing Regulations the Company had during the year, conducted Familiarisation Programme for Independent Directors of the Company and the details of such Familiarisation Programmes are disseminated on the website of the Company at www.scansteels.com - Investor Relations Segment.

PROCEDURE AT COMMITTEE MEETINGS

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

The Board has constituted various Committees, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Vigil Mechanism. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

The Company's internal guidelines for Board/ Board Committee meetings facilitate the decision-making process at its meetings in an informed and efficient manner.

AUDIT COMMITTEE

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes

in the company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions (in Compliance with SEBI LODR 3rd amendment Reg. 2021) and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor, Secretarial Auditor and cost auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings wherever necessary.

The Audit Committee reviews compliance with the provisions of regulations 9A (4) of the SEBI (Prohibition of Insider Trading), Regulations, 2015 every Quarter to verify that the systems for internal control are adequate and are operating effectively and also review reports if any submitted by compliance officer in compliance with the code of conduct to regulate, monitor and report trading by Designated persons.

The audit committee comprised of the following directors for the year ended 31st March 2023:

Composition, names of members and Chairperson

The Audit Committee of the Company is constituted in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of

the Companies Act, 2013 which is headed by Mr. Shravan Kumar Agrawal. All the members of the Audit Committee are financially literate as defined in Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company's Audit Committee comprises of the following Directors: -

- # Shravan Kumar Agrawal - Chairman (Non-Executive Independent)
- # Mr. Ankur Madaan - Member (Executive)
- # Mr. Punit Kedia - Member (Non-Executive Independent)

All the current members of the Committee are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitees to the meetings of the committee. The other directors and such of the executives (particularly the head of the finance function) representatives of the statutory auditors, internal auditors, and Cost Auditor (Particularly when the

Audit Report, Internal Audit Report and Cost Audit Report is tabled for discussion), as it considers appropriate are invited to attend the audit committee meetings as and when required. The company secretary acts as the secretary to the committee and ensures compliance and effective implementation of the insider trading code. Chairman of the Audit Committee Mr. Shravan Kumar Agrawal was present at the previous Annual General Meeting of the company held on 29th September, 2022.

Details of audit committee meetings during the financial year:

During the year under review, the committee met Six times during the financial year ended 31st March, 2023 on 06th May, 2022, 16th June, 2022, 30th July, 2022, 25th August, 2022, 04th November, 2022 and 31st January, 2023 and the gap between two meetings did not exceed one hundred and twenty days.

The Composition of the Committee and the attendance at each Committee Meetings are as follows: -

Name	Category	No of Meetings during the Year 2022-2023	
		Held	Attended
Mr. Shravan Kumar Agrawal	Chairman	6	6
Mr. Ankur Madaan	Member	6	6
Mr. Punit Kedia	Member	6	6

This Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
 - Safeguarding of assets and adequacy of provisions for all liabilities;
 - Reliability of financial and other management information and adequacy of disclosures
- Compliance with all relevant statutes.

Internal Controls and Risk Management

The Company has robust systems for internal audit and corporate risk assessment and mitigation. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances

The internal audit covers all the factories, and sales offices, and businesses and functions controlled centrally. Every quarter, the Audit Committee of the Board is presented with key control issues if any, and actions taken on past issues.

Business risk assessment procedures have been set in place for self assessment of business risks, operating controls and compliance with corporate policies. The Company has also laid down procedures to inform Board members about the risk assessment and minimization procedures, which are periodically reviewed. There is an ongoing process to track the evolution of the risks and delivery of mitigation action plan.

The internal controls shall include the following SEBI (Prohibition of Insider Trading), Regulations, 2015:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

Power of Audit Committee

The audit committee shall have powers which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The broad **terms of reference** of Audit Committee are: [in compliance with Regulation 18(3) and Part C (A) of Schedule II of the SEBI (LODR) Regulations] [as per Act and LODR as amended]

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of statutory auditors, cost auditors, Internal Auditor and Secretarial Auditor 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, focusing primarily on:
 - 1) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act.

- 2) Changes, if any, in accounting policies and practices and reasons for the same.
- 3) Major accounting entries involving estimates based on the exercise of judgment by Management.
- 4) Significant adjustments made in the financial statements, if any, arising out of audit findings.
- 5) Compliance with respect to accounting standards, listing agreements and legal requirements concerning financial statements.
- 6) Disclosure of any related party transactions.
- 7) Modified opinion(s) in the draft audit report, if any.
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor 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 (In Compliance with SEBI LODR 3rd amendment Reg. 2021);
- 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 CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- u) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholder.

Review of Information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Matters relating to the insider Trading codes.
7. take note of disclosures by promoters under Regulation 31(5) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, etc.

NOMINATION AND REMUNERATION COMMITTEE:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Nomination & Remuneration Committee.

The terms of reference of the Committee inter alia, include the following: (In compliance with Part D (A) of the Schedule II of the SEBI (LODR) Regulations.) (As per Act and LODR as amended)

- a) Identifying 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 and carry out evaluation of every director's performance.

- b) Formulating a criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel / Senior Management and other employees.
- c) Formulating a criteria for evaluation of performance of Independent Directors and the Board.
- d) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- e) 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.
- f) Devising a policy on Board diversity.
- g) To recommend Board/review remuneration of the Managing Director(s) and Whole-time Director(s) or Senior Management based on their performance and defined assessment criteria.
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

- i) To perform such other functions as may be necessary or appropriate for the performance of its duties.

I. Composition of the Committee Members.

As of 31st March 2023, the Nomination and Remuneration Committee consisted of 3 Non – Executive Independent directors, Mr. Punit Kedia, Mr. Shravan Kumar Agrawal and Mrs. Debjani Sahu, Non-Executive Independent Directors of the Company.

Mr. Punit Kedia Independent Director is the Chairman of the Committee and was present at the Previous Annual General Meeting. The company secretary is the secretary to the committee.

The Nomination and Remuneration Committee comprises of the following Directors: -

- # Mr. Punit Kedia - Chairman (Non-Executive Independent)
- # Mrs. Debjani Sahu - Member (Non-Executive Independent)
- # Mr. Shravan Kumar Agrawal - Member (Non-Executive Independent)

II. Meeting and Attendance during the year

The committee met on 25.08.2022 during the financial year ended 31st March, 2023

Name	Category	No. of Meetings during the Year 2022-2023	
		Held	Attended
Mr. Punit Kedia	Chairman	1	1
Mrs. Debjani Sahu	Member	1	1
Mr. Shravan Kumar Agrawal	Member	1	1

III. Performance Evaluation criteria for Independent Directors

Board Evaluation Policy has been framed by the Nomination and Remuneration Committee (NRC) and approved by the Board and subsequently amended by the Board as and when needed. This policy has been framed in compliance with the provisions of section 178(2), 134(3) (p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and part D of Schedule II of the SEBI (LODR Regulations), as amended from time to time.

The Company adopted the following criteria to carry out the evaluation of Independent Directors, which is in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR Regulations);

- The Nomination and Remuneration Committee (NRC) shall carry out evaluation of every Director's Performance.
- In addition, performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated by rating their performances and fulfillment of Independence Criteria as per SEBI (LODR) Regulations, 2015. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

The Evaluation process of Independent Directors and the Board will consist of two parts;

- Board Member Self Evaluation; and
- Overall Board and Committee Evaluation.

In the Board Member Self Evaluation, each Board member is encouraged to be introspective about his/her personal contribution/ performance/ conduct as director with reference to a questionnaire provided to them. Copies of the evaluation forms as applicable will be distributed

to each Board Member. Board members shall complete the forms and return them to the Company Secretary or Board nominee or the consultant, as may be informed.

The Company Secretary or Board nominee or the consultant will tabulate the Forms. The Tabulated Report would be sent to all Board Members for evaluation and if any directors disagree with the self-evaluated results, he/she will suitably intimate the Chairman of the Board, else the same will be deemed to have been accepted.

The individually completed forms will be preserved by the Company Secretary and the Tabulated Report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance and based on such feedback, the Board will be recommended appointments, re-appointments and removal of the non-performing Directors of the Company.

IV. Remuneration policy

The remuneration of the Whole-time/Executive Directors and Senior Executive Officers is decided by the Board based upon the recommendations of the Nomination and Remuneration Committee, subject to the approval of the Company in general meeting, which inter-alia is based on the criteria such as industry benchmarks, the Company's performance, and the performance of the individual concerned. Remuneration of the Executives and employees largely consists of basic salaries, and perquisites and incentives if any. The component of the total remuneration varies from grades and is governed by the industry pattern, qualifications, experience and the responsibilities carried on by the individual employee concerned. The objectives of the remuneration policy are to

motivate the deserving employee in improving their performance, along with recognizing their contributions, retain best talent in the organization and record the merits.

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure D** to the Board Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which may be accessed on the Company's website at www.scansteels.com - Investor Relations Segment.

The details relating to remuneration of Directors, as required under Schedule V, Part C – Point No. 5 read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Remuneration paid to the directors during 2022-23:

Amount (₹ In Lacs)

Name of the Director	Designation	Remuneration Paid during the year 22-23
Mr. Ankur Madaan	Whole- Time Director	9.00
^Mr. Praveen Kumar Patro	Executive Director	^12.22

Note:

*The above-mentioned remuneration is in aggregate and apart from this there were no such other benefits like, Compensation, bonuses, stock options, pension, performance linked incentives given.

^Amount of 0.22 is towards PF Contribution

Service Contracts, Severance Fee and Notice Period

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. A separate Service Contract is not entered into by the Company with them. They can be terminated by either party by giving three months notice in writing as per the T&C of appointment letters. Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, duties, responsibilities etc., which have been accepted by them.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. The statutory provisions will however apply With respect to notice period of Directors.

Sitting fee and commission paid on net profit to Non-Executive Directors:

Board makes a payment of a sum of ₹ 1000/- (Rupees One Thousand only) as sitting fees to the Non-Executive Directors of the Company for every meeting of the Board of Directors and committee thereof attended by them. There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

Amount in ₹

Name of the Director	Designation	Sitting Fees paid during the year 22-23
Mr. Rajesh Gadodia	Non-Executive Chairman	12000.00
Mr. Punit Kedia	Independent Director	28000.00
Mr. Shravan Kumar Agrawal	Independent Director	28000.00
Mrs. Debjani Sahu	Independent Director	16000.00

Criteria for making payments to non- executive directors:

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available in the Nomination and Remuneration Policy as well as disseminated on the website of the Company at <https://scansteels.com/wp-content/uploads/2023/01/CRITERIA-FOR-MAKING-PAYMENT-TO-NED.pdf> and / or the Nomination and Remuneration Policy is also annexed as 'Annexure D' to Board Report.

Details of shareholding of Directors as on 31st March 2023.

Sr. No.	Name of the Director	Category	Equity Shareholding as on 31st March 2023
1	Mr. Rajesh Gadodia	Non-Executive Chairman	5463350
2	Mr. Ankur Madaan	Whole - Time Director	Nil
3	Mr. Praveen Kumar Patro	Executive Director	Nil
4	Mr. Punit Kedia	Non-Executive – Independent Director	Nil
5	Mr. Shravan Kumar Agrawal	Non-Executive – Independent Director	02
6	Mrs. Debjani Sahu	Non-Executive – Independent Director	Nil

*Mr. Gobinda Chandra Nayak, KMP and Chief Financial Officer of the Company held 250 shares as on 31.03.2023

STAKE HOLDERS' RELATIONSHIP COMMITTEE

Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders' Relationship Committee. The Company has complied with this provision and the Stakeholders' Relationship Committee carries the mandate as was decided upon in the erstwhile Shareholders' Grievance Committee. Further, the Company has merged the erstwhile Share Transfer Committee with the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee comprises of the following Directors: -

- # Shravan Kumar Agrawal - Chairman (Non-Executive Independent)
- # Mr. Punit Kedia - Member (Non-Executive Independent)
- # Mr. Ankur Madaan - Member (Executive)

The committee met Six times during the financial year ended 31st March, 2023 on 16th June, 2022, 30th July, 2022, 25th August, 2022, 04th November, 2022, 2nd December, 2022,

and 31st January, 2023. To oversee and review all matters related to the transfer of securities of the company and other Shareholders requests and Grievances if any.

Mr. Shravan Kumar Agrawal – Chairman of the committee was present at the Previous Annual General Meeting.

The composition and attendance of each member of the Committee is given below.

Name	Category	No. of Meetings during the Year 2022-2023	
		Held	Attended
Mr. Shravan Kumar Agrawal	Chairman	6	6
Mr. Ankur Madaan	Member	6	6
Mr. Punit Kedia	Member	6	6

The powers (terms of reference) delegated to the committee are as under: (In compliance with the Part D (B) of Schedule II of the SEBI (LODR) Regulations.) (As per Act and LODR as amended)

- to review statutory compliance relating to all security holders,
- consider and resolve the grievances of 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 certificates, general meetings etc.

- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends transfer of unclaimed amounts to the Investor Education and Protection Fund,
- oversee compliances in respect of dividend payments and ensuring timely receipt of dividend warrants /annual reports/statutory notices by the shareholders of the company.
- oversee and review all matters related to the transfer of securities of the company,
- approve issue of duplicate certificates of the company,
- review movements in shareholding and ownership structures of the company,
- ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent,
- Recommend measures for overall improvement of the quality of investor services
- and set forth policies relating to and oversee implementation of the Code of Conduct for prevention of Insider Trading.
- To scrutinize and take on records the shares / securities transfers and transmission of shares / securities etc. made by the Registrar and Transfer Agent of the Company and authorize the registration of transfers in the Register of Members as well as in the Register of Transfers of the Company and to take all other consequential and incidental actions and measures.
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.

Complaints received and redressed during the year 2022-2023

Sr. No.	Nature of Complaints	Number of Complaints	
		Received	Redressed
1	Non-receipt of Share Certificate after Transfer	NIL	NIL
2	Non-receipt of Dividend Warrant	NIL	NIL
3	Non – receipt of Annual Report	NIL	NIL
4	Grievance Received through SCORES	NIL	NIL
5	Grievance Received through SCORES – Non receipt of Dividend	NIL	NIL
6	Grievance Received through SCORES-Non receipt of Share Certificate after Transfer	NIL	NIL

Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web-based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

Further, Score Complaints are also addressed through BSE Listing Centre via “Investor Complaints” tab in compliance with the timeliness prescribed by SEBI as per circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020 regarding Investor grievances redressal mechanism - Handling of SCORES complaints by stock exchanges and Standard operating procedure for non-redressal of grievances by Listed Companies read with other applicable circulars.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Prabir Kumar Das, company secretary is the compliance officer of the company appointed in terms of Regulation 6 read with Schedule V of the SEBI Listing Regulations, for complying with the requirement of SEBI Regulations and the Listing Agreement with the stock exchange in India. His address and contact details are as given below: Address: Office no 104,105, E-Square, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai - 400057. Phone: +91 0222 618 5461; FAX: +91 0222 618 5463. For any clarification / complaint shareholders may contact company secretary at secretarial@scansteels.com and / or at the registered office of the company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

SSL is committed to creating value for the nation and enhancing the quality of life across the entire socio-economic spectrum. SSL believes that Corporate Social Responsibility extends beyond the ambit of business and should focus on a broad portfolio of assets—human, physical, environmental, and social. SSL gives utmost importance to the conservation of the natural capital in its operations. SSL is committed to responsible stewardship of its natural resources to conduct its operations in a sustainable manner.

The Committee is constituted in line with the Provision of Section 135 of the Companies Act 2013. It is the commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as that of the local community and society at large, and to make a social contribution to society.

The composition of CSR Committee is as Mentioned below:

- # Shravan Kumar Agrawal - Chairman (Non-Executive Independent)
- # Mr. Punit Kedia - Member (Non-Executive Independent)
- # Mr. Ankur Madaan - Member (Executive)

The powers (terms of reference) delegated to the committee are as under:

- Recommend to the board the objective of Corporate Social Responsibility (CSR) to generate a conducive environment to conduct the business in a socially responsible manner and to carry on business activities in an ethical way with regards to legal obligations and commitments;
- Formulate and update CSR Policy, and recommend to the Board for their Approval.
- Decide the CSR activities to be taken up by the Company and areas of Implementation in accordance with CSR Policy and Sch. VII of the CA, 2013; and annually recommend to the Board for its approval.
- Recommend the CSR expenditure and decide the amount to be allocated for each project or activity to the Board of the Company for approval.
- Identify Potential Partner and facilitate and end to end partner selection.
- Timely review of the budgets and approved disbursements to the partners (if any)

- Suggest areas of intervention to the Board of the Company.
- The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
 - Manner of Execution of such projects or programs
 - Modalities of Utilization of funds and Implementation schedules for projects.
 - Put monitoring mechanisms in place to track the progress of each activities/project rolled out under this Policy, utilization of funds disbursed and submit a report, to the Board on all CSR activities undertaken during the financial year.
- Details of need and Impact Assessment if any for the projects undertaken by the company.
- Identify Risk Assessment factor
- Periodically visit the programmes and evaluate the progress on ground and share reports about the same with the Board.
- Recommend the Board modalities and manner for the transfer of ownership of Capital Assets, if created or acquired, through CSR spending;
- The Committee shall meet at least twice in a financial year, or as per the need to Implement and monitor the activities taken.
- Such other functions as directed by the Board of Directors.

The committee meet Twice on 06th May, 2022, and 11th September, 2022 during the financial year ended 31st March, 2023.

The composition and attendance of each member of the Committee is given below.

Name	Category	No. of Meetings during the Year 2022-2023	
		Held	Attended
Mr. Shravan Kumar Agrawal	Chairman	2	2
Mr. Ankur Madaan	Member	2	2
Mr. Punit Kedia	Member	2	2

The Company Gradually reduced its Losses and started making Profit in the past couple of financial year, accordingly, as per the Average profit calculation of the three immediately preceding financial years company had spent its part of profit on CSR activities as per its CSR policy and relevant report regarding the same Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014] is attached as 'Annexure B' which forms part of this annual report.

RISK MANAGEMENT COMMITTEE

A) RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage

them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, access and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect

and preserve Company's human, physical and financial assets.

B) RISK MANAGEMENT COMMITTEE:

Committee was constituted in Compliance with Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Risk Management Committee is as under:

- # Mr. Ankur Madaan - Chairman & WTD
- # Mrs. Debjani Sahu - Member & Women Independent Director
- # Mr. Gobinda Chandra Nayak - Member & Chief Financial Officer

The composition of the Risk Management Committee as at **March 31, 2023** and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 16th June, 2022 & 02nd December, 2022
Mr. Ankur Madaan	Whole- Time Director	Present
Mrs. Debjani Sahu	Women Independent Director	Present
Mr. Gobinda Chandra Nayak	Chief Financial Officer	Present

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

- Reviewing matters related to cyber security.

The role of the committee shall, inter alia, include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular financial including Credit Risk, Liquidity Risk, Market Risk, and operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
- c. Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors. Also, they can seek information from any employee and even obtain legal and other professional advice and attendance of outsiders with relevant expertise, if consider necessary.

- C) The Company has also formulated a Risk Management policy which can be accessed on the link: <https://scansteels.com/wp-content/uploads/2022/08/RISK-MANAGEMENT-POLICY..pdf>

FINANCE AND MANAGEMENT COMMITTEE

In compliance with provision of Section 179 (3) of the Companies Act, 2013 and other applicable Provisions if any, the Board has constituted the Finance and Management Committee, for delegation of power of Board and/ or to approve the matters as specified in section 179(3) (d) to (f) of Companies Act, 2013 and any other Finance related Matters.

Finance and Management Committee consisted of 2 Executive directors, Mr. Ankur Madaan (Chairman of the committee) and Mr. Praveen Kumar Patro, Member of the Committee, committee did not meet during the year.

The terms of reference of the Committee inter alia, include the following:

1. To approve availing of Credit / Financial Facilities of any description from Banks / Financial Institutions / bodies Corporate within the limits approved by the Board.
2. To approve investments and dealings with any monies of the Company upon such security or without security in such manner as the Committee may deem fit, and from time to time to vary or realise such investments within the frame work of the guidelines laid down by the Board.
3. To open new Branch offices of the Company, to declare the same as such and to authorise personnel by way of power of attorney or otherwise, to register the aforesaid branches and to deal with various authorities such as the Central Excise, Profession Tax, Commercial Tax, State & Central Sales Tax, VAT Authorities and other Local Authorities.
4. To Make Loans and/ or give guarantee to Individuals / Bodies Corporate and/or to place deposits with other Companies / Firms

upon such security or without security in such manner as the committee may deem fit within the limits approved by the Board.

5. To open current Account(s), collection Account(s), Operation Account(s) or any other Account(s) with Banks and also to close such accounts, which the "said committee" may consider necessary and expedient.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

Sexual harassment can have a devastating effect upon the health, confidence, morale and performance of those affected by it and the best way to prevent sexual harassment is to adopt a comprehensive sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company provides an equal employment opportunity and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 there by no details to be provided regarding number of complaints disposed of during the financial year or number of complaints pending as on end of the financial year. The said Policy can be accessed at the Website of the Company at <https://scansteels.com/wp-content/uploads/2023/01/SEXUAL-HARRASMENT-POLICY-2.pdf>

VIGIL MECHNISM/ WHISTLE BLOWER POLICY

The Company has formulated a policy known as Vigil Mechanism / 'Whistle Blower Policy' As per the requirement of Section 177(9) of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Chair man of the Audit Committee of the Company in respect of matters involving alleged misconduct/ malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

Vigil Mechanism / Whistle Blower Policy was amended in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, which can be accessed on the Company's website at the link: <https://scansteels.com/wp-content/uploads/2023/01/SCAN-STEELS-LIMITED-WB-OR-VM-POLICY.pdf>

CEO / CFO CERTIFICATE

A certificate from Whole- Time Director and the Chief Financial Officer of the Company, in terms of regulation 17(8) read with schedule II Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, had been duly submitted to the board and is attached to this

Report. In terms of Regulation 33(2)(a) of SEBI LODR, the Whole- Time Director and the Chief Financial Officer certified the quarterly financial results while placing the financial results before the Board.

CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34(3) read with schedule-V(E) of SEBI (LODR) Regulations, 2015, a certificate from M/s. Amarendra Mohapatra & Associates., Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to Directors Report.

CORPORATE ETHICS

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. We are committed to undertaking business ethically, and in doing so, improve consumer perception, reduce costs, and enhance employee satisfaction, among other long-term business goals. Our policies on business conduct show our commitment to embedding sound governance and transparency in our operations while managing risks. A Code of Conduct for Board Members and Senior Management and SSL Code of Conduct to Regulate, Monitor and Report Trading by Insiders (formerly known as Code of Conduct for Prevention of Insider Trading) as detailed in this report has been adopted pursuant to Listing Regulations, 2015 & the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, respectively.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT.

The Company has adopted the code of conduct for its employees in compliance with Regulation

17(5) read with Regulation 26 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at all levels including Senior Management and Directors. which includes a Code of Conduct for Independent Directors and also suitably incorporates the duties of Independent Directors as laid down under the Companies Act, 2013. The code has been circulated to all the members of the Board and senior management. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Whole- Time Director of the Company appointed in terms of the Companies Act, 2013 (i.e., the CEO within the meaning of Part B of Schedule II read with Regulation 17(8) and Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) is annexed separately to this report. The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances.

Further, there was no Change in senior management During the year under Review as well as since the close of the previous financial year.

A copy of the said code of conduct (in compliance with Regulations 46 (2) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) is available on the link: <https://scansteels.com/wp-content/uploads/2023/01/SCAN-STEELS-LIMITED-MODEL-CODE-OFCONDUCT-OF-BOD-AND-SENIOR-MGT.pdf>

ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed.

The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. the Company adheres to these standards as and where applicable.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate, monitor, and report trading in securities by the Directors and designated employees / Insiders of the Company. The code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and insiders while dealing in shares of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees /

Insiders while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head of Compliance is responsible for implementation of the Code.

The policy and the procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure is intimated to all employees and to the Stock Exchange in advance, whenever required. The Company affirms that no personnel have been denied access to the Audit Committee. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to the Code.

All Board Members and the designated employees have confirmed compliance with the Code.

The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives in terms of Regulation 9 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated in terms of Regulation 8 of the SEBI (Prohibition of Insider Trading), Regulations, 2015, Policies and Procedural for inquiry in case of leak of Unpublished Price Sensitive Information, or Suspected Leak of Unpublished Price Sensitive Information in terms of Regulation 9A the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, and Vigil Mechanism / Whistle Blower Policy in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015 is available on our website at www.scansteels.com - Investor Relations Segment.

DETAILS OF GENERAL BODY MEETINGS

a) The company held its last Three Annual General Meeting as under along with the details of special resolutions passed in AGM in the last 3 years is as follows:

FINANCIAL YEAR	DATE	TIME	VENUE	SPECIAL RESOLUTION PASSED
2019-2020	30.09.2020	10.00 A.M.	through two-way Video Conferencing ["VC"] / Other Audio-Visual Means ["OAVM"]	<ul style="list-style-type: none"> Re-appointment of Mr. Punit Kedia (DIN 07501851) as an Independent Director of the Company. Approval of Related Party Transaction.
2020-2021	30.09.2021	10.30 A.M.	through two-way Video Conferencing ["VC"] / Other Audio-Visual Means ["OAVM"]	<ul style="list-style-type: none"> Appointment of Mr. Shravan Kumar Agrawal (DIN 09139761) as an Independent Director Approval of Related Party Transaction.
2021-2022	29.09.2022	10.30 A.M.	through two-way Video Conferencing ["VC"] / Other Audio-Visual Means ["OAVM"]	No Special Resolution was Required to be Passed

b) Extraordinary General Meeting:

The company held No Extra Ordinary General Meeting during the Financial Year 2022-2023.

c) Postal ballot

During the year ended 31st March, 2023, no resolution was passed by the Company's shareholder requiring voting by Postal Ballot. Thereby, there is no Voting Pattern required to be disclosed by the Company for F.Y. 22-23 to comply with Schedule V (7) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. And accordingly, there are no details to be provided regarding Person who conducted Postal Ballot exercise or Procedure of Postal Ballot.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner.

a) Quarterly, Half yearly and Annual results and Publication of Results

The quarterly, half yearly and annual results of the Company as approved by the Board of Directors are submitted to the Stock Exchanges where the Company's shares are listed.

Further, the quarterly, half yearly and annual results of the Company are also published within 48 hours of the conclusion of the meeting of the Board in which they are considered in widely circulated national newspapers such as The Financial Express (English Newspaper) and in

the local vernacular daily, Pratahkal (Marathi Newspaper) the State of Maharashtra where the Registered Office of the Company is situated

These are also made available on the Company's website: www.scansteels.com

b) BSE Corporate Compliance & Listing Centre (the 'Listing Centre ')

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases if any, among others are also filed electronically on the Listing Centre.

c) SEBI Complaints Redress System

SEBI administers a centralized web-based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website www.scores.gov.in It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal are carried online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES.

d) Website

The primary source of information regarding the operations of the Company is the corporate

website: www.scansteels.com It contains a separate dedicated section for Shareholders "Investor Relations" as required under SEBI (LODR) Regulation, 2015, The Quarterly/Annual Financial Results, annual reports, investor forms, stock exchange information, shareholding pattern, policies, investors' contact details, and latest and updated information about financials/activities of the Company are available., in addition to the information stipulated under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The website of the Company also displays official news releases and presentations made to the institutional investors and analysts from time to time, if any.

e) Annual report

The Company's annual report containing the Board's Report, Corporate Governance Report, Management Discussion and Analysis (MD&A), Audited Annual Financial Statements, Auditors' Report and other important information is circulated to members and others entitled thereto. Annual Reports are also emailed to the shareholders who have registered their email IDs with the Company/ depositories. The annual report is also available on the Company's corporate website in a user friendly and downloadable form.

Note: The Company has not made any presentation to any institutional investors or to analysts during the year.

GENERAL SHAREHOLDERS INFORMATION

Day, Date and Time of AGM	Friday, the 29 th Day of September, 2023 at 10.30 A.M.	
Venue of AGM	Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	
Book closure Date	Saturday, the 23 rd Day of September, 2023 to Friday, the 29 th Day of September, 2023 (both days inclusive)	
Dividend Payment Date	Not Applicable	
Date of declaration		
Rate of dividend		
Book Closure Date		
Date of payment of dividend		
Amount of dividend paid		
Company Registration Details	The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27209MH1994PLC076015	
Listing on Stock Exchange	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	
Stock / Scrip Code	511672	
ISIN Numbers	INE099G01011	
Financial Calendar	1st April, 2023 – 31st March, 2024	
	First Quarter Results	Up to 14 th August, 2023
	Second Quarter Results	Up to 14 th November, 2023
	Third Quarter Results	Up to 14 th February, 2024
	Fourth Quarter Results	Up to 30 th May, 2024
E-Voting	Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Central Depository Services India Limited.	
Market Price Data: High, Low during each month in the Financial Year 2022-2023	Refer Table No. 1	
Performance in comparison to board indices BSE Sensex	Refer Table No. 2	
Suspension from Trading	No Security of the Company has been suspended from trading on Bombay Stock Exchanges.	

Registrar & Transfer Agents.	<p>Adroit Corporate Services Pvt. Limited 17-20, Jafferbhoy Industrial Estate, Makwana Lane, Marol Naka, Andheri (E), Mumbai-400 059. Tel: +91 22 42270400 / +91 22 42270423 +91 22 42270427 / +91 22 42270422 Fax: +91 22 28503748 Email: info@adroitcorporate.com Web Site: www.adroitcorporate.com</p>
Share Transfer/ Transmission System	<p>Transfer of securities held in physical mode has been discontinued w.e.f. April 01, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. In compliance with the circular Read with Reg. 40 (1) of LODR,2015, Re-lodgement of transfer requests was carried out till the validity period of Circular. Further, effective from April 1, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders.</p> <p>Requests for Transmission of Shares held in physical form can be lodged with Adroit Corporate Services Pvt. Limited "RTA" at the abovementioned address with all the documents along with duly filled ISR -4. The requests are normally processed within 15 days of receipt of the documents, provided that documents are in order. Shares under objection are returned within two weeks from the date of its receipt. Pursuant to SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, Read with Reg. 40 (1) of LODR,2015, SEBI has directed that listed companies shall henceforth issue securities in dematerialized form only while processing the Transmission request as may be received from the securities holder/claimant.</p> <p>Accordingly, RTA to verify and process the service request and thereafter issue a "Letter of Confirmation" in lieu of physical securities certificate(s), to the securities holder /claimant within 30 days of its receipt of such request after removing objections, if any.</p> <p>The letter of confirmation shall be valid for a period of 120 days from the date of its issuance, within which the securities holder / claimant shall make a request to the Depository Participants for dematerializing the said securities.</p> <p>The RTA / Company shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder and /claimant to submit the demat request as above in case no such request has been received by the RTA till the time.</p> <p>The Board has delegated the authority for approving transfers, transmissions etc. of the Company's securities to Mr. Prabir Kumar Das, Company Secretary of the company w.e.f. 20.10.2016. Such transactions are placed before next committee meeting and Board Meeting. The Company obtains from a Company Secretary in Practice, a yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulation, 2015 erstwhile Clause 47(c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.</p>

Distribution of Shareholding	Refer Table No. 3			
Shareholding Pattern	Refer Table No. 4			
Shareholders holding more than 1% of the shares as on March 31, 2023	Refer Table No. 5			
Top 10 Shareholders of the Company as on March 31, 2023	Refer Table No. 6			
Dematerialization of Securities and Liquidity	The Company's Shares are available for trading in the Depository System both at the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat Status of the Company as on March 31, 2023 is as under:			
	Particulars	No. of Shareholders	No. of Shares	%
	CDSL	6961	42645366	81.46
	NSDL	2916	9473729	18.10
	PHYSICAL	1098	233200	0.45
	TOTAL	10975	52352295	100.00
	And on an average the dematerialization process is completed within a period of 15 days from receipt of a valid demat request along with all documents.			
Outstanding GDR/ADR or warrants or any convertible instruments, conversion date and likely impact on equity.	During the F.Y 22-23, The Company had Not issued any warrants or GDR's/ ADR's or any convertible instruments.			
(Disclosure pursuant to SEBI Circular dated November 15, 2018) Commodity Price risk / Foreign Exchange risk and hedging activities	The Company purchases Iron ore and other raw materials that are used in the manufacturing operations from domestic suppliers. The total procurement of materials is sourced from the domestic market and therefore do not have foreign exchange fluctuation risks. The Company has Risk Management framework to pro-actively mitigate the impact through measures like cost-based price increases, cost reduction measures, portfolio rationalization, renegotiate procurement contracts etc. The Company also develops on an ongoing basis alternate supply sources for key products subject to economic justification. The company does not have any foreign currency exposure hence there are no risk associated with Currency Hedging.			
Credit Rating obtained during the year F.Y. 22-23	During the year, the rating of the company has been re-affirmed to IVR BBB+ / Negative Outlook (IVR Triple B Plus with Negative Outlook) for Long Term Debt and Fund Based Facilities and IVR A2 (IVR A Two) for Short Term Non-Fund based Facilities			

Plant Locations	Unit -1 is situated at Rambahal, At- Keshramal, Rajgangpur, Sundergarh, Odisha Unit -2 is situated at Gangajal, Budhakata, Sundergarh, Odisha Unit-3 is situated at Bai-bai, Tudalaga, Rajgangpur, Sundergarh, Odisha Unit-4 is situated at Vill -Veniveerapura, Bellary, Karnataka
Address for Correspondence	104-105, "E Square", 1 st Floor, Subhash Road, Nr. Garware House, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai – 400057, Maharashtra Ph: 022-26185461/62 Email - secretarial@scansteels.com Website - www.scansteels.com
Payment of Listing Fees	Annual listing fee for the year 2023-24 has been paid by the Company to BSE.
Payment of Depository Fees	Annual Custody/ Issuer fee for the year 2023-24 has been paid by the Company to NSDL and CDSL on receipt of the invoices.

TABLE - 1: STOCK MARKET PRICE DATA

High and Low of market price of the Company's Shares traded on Bombay Stock Exchange Limited, During the Financial Year - 2022 – 2023: -

Month(s)	Highest (₹)	Lowest (₹)	No. of shares Traded	BSE High	BSE Low
April, 2022	43.20	30.65	15,96,595	60,845.10	56,009.07
May, 2022	55.00	35.30	33,57,323	57,184.21	52,632.48
June, 2022	38.95	30.60	7,99,196	56,432.65	50,921.22
July, 2022	36.90	31.60	4,03,130	57,619.27	52,094.25
August, 2022	40.30	34.05	6,57,448	60,411.20	57,367.47
September, 2022	44.00	35.20	13,85,522	60,676.12	56,147.23
October, 2022	39.15	31.80	4,66,030	60,786.70	56,683.40
November, 2022	39.00	30.40	10,50,360	63,303.01	60,425.47
December, 2022	40.10	32.00	8,25,142	63,583.07	59,754.10
January, 2023	40.70	36.40	4,96,241	61,343.96	58,699.20
February, 2023	39.50	29.45	12,38,881	61,682.25	58,795.97
March, 2023	34.95	27.50	4,03,867	60,498.48	57,084.91

TABLE - 2: PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX FOR THE PERIOD 1ST APRIL 2022 TO 31ST MARCH 2023 IS GIVEN BELOW:

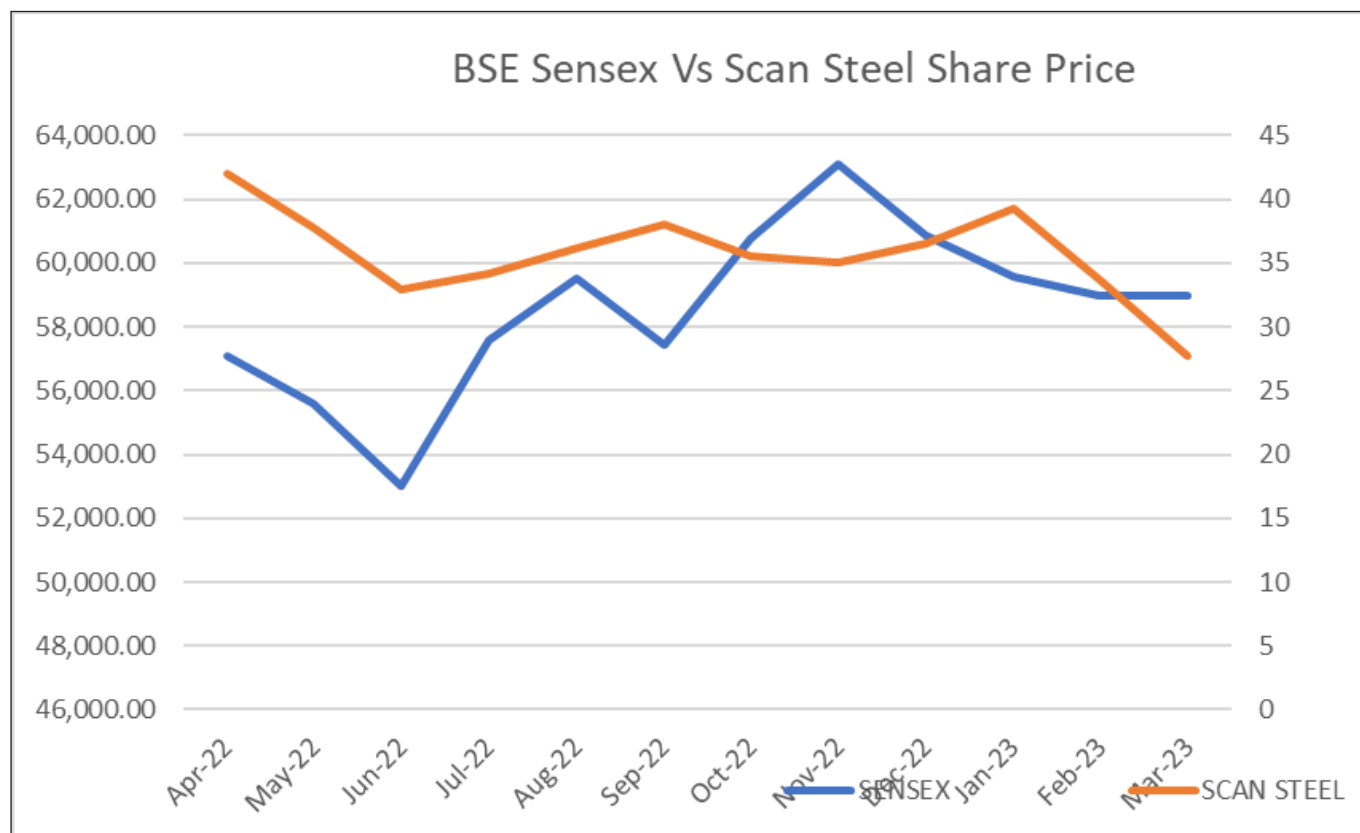


TABLE - 3: DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023

Range (No. of shares held)	Share Holders		Shares Held	
	Numbers	% of Total	Numbers	% of Total
UPTO - 100	5925	53.99	301478	0.58
101-500	3047	27.76	862311	1.65
501-1000	938	8.55	772790	1.48
1001-2000	511	4.66	801004	1.53
2001-3000	192	1.75	492977	0.94
3001-4000	92	0.84	328170	0.63
4001-5000	65	0.59	311299	0.59
5001-10000	93	0.85	654937	1.25
10001-20000	48	0.44	670371	1.28
20001-50000	20	0.18	617087	1.18
50001-ABOVE	44	0.40	46539871	88.90
Total	10975	100.00	52352295	100.00

TABLE – 4: SHAREHOLDING PATTERN AS ON 31ST MARCH, 2023

CATEGORY	No. of Shares Held	% of Shareholding
Promoters	25184749	48.11
Corporate Bodies	19890661	37.99
Indian Public	6268739	11.97
Financial Institutions/Banks	0	0
NRI	171225	0.33
Clearing Members	9064	0.02
HUF	827857	1.58
Total	52352295	100

- Shareholding pattern of the Company in detail is presented in MGT – 7 (Annual Return) Web-Link of which is given in the Board's report.

TABLE – 5: SHAREHOLDERS HOLDING MORE THAN 1% OF THE SHARES AS ON MARCH 31, 2023

The details of public shareholders holding more than 1% of the equity as on March 31, 2023 are as follows:

Name of Shareholder	No. of Shares	Percentage of holding
Florence Securities Private Limited	2599997	4.97
Decent Vincom Private Limited	2547221	4.87
Gopikar Supply Private Limited	2000000	3.82
West & Best Trading Private Limited	1483307	2.83
Fashions Brands (India) Private Limited	1389801	2.65
Satabdi Tradelink Limited	1385770	2.65
Carron Investments Private Ltd	900000	1.72
Ascon Merchandise Private Limited	688000	1.31
Consolidated Mercantiles Private Limited	604000	1.15
JR Seamless Private Limited	592462	1.13

TABLE – 6: TOP TEN SHAREHOLDERS OF THE COMPANY AS ON 31ST MARCH, 2023

Sr. No.	Name of Shareholder	Category	No. of Shares	Percentage of holding
1	Artline Commerce Private Limited	Promoter Group	9566575	18.27
2	Rajesh Gadodia	Promoter	5463350	10.44
3	Bayanwala Brothers Private Limited	Promoter Group	5383501	10.28
4	Archana Gadodia	Promoter	4771323	9.11
5	Florence Securities Private Limited	Public	2599997	4.97
6	Decent Vincom Private Limited	Public	2547221	4.87
7	Gopikar Supply Private Limited	Public	2000000	3.82
8	West & Best Trading Private Limited	Public	1483307	2.83
9	Fashions Brands (India) Private Limited	Public	1389801	2.65
10	Satabdi Tradelink Limited	Public	1385770	2.65

REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

- Shareholders are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.
- Shareholders holding shares in physical form should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.
- As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.
- In reference to the **SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37** dated 16th March, 2023. Read with amendments dated 14th December 2021 wherein it has

been mandated that all the listed companies to update all the details of shareholders like PAN, email address, mobile number, bank account details, Signature and nomination by security holders of physical mode.

Further SEBI has also stated that failure to provide the above information on or after October 01, 2023 will lead to freezing of the folios of such shareholder by the Registrars and Transfer Agent of the Company (RTA). Due to which the shareholders will not be able to lodge grievance or avail service request (viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.) from the RTA unless the complete documents / details as aforesaid are furnished/ submitted. They shall be eligible for any payment including dividend, interest or redemption payment only through electronic mode w.e.f 01.04.2024 upon complying with the above stated requirements. This frozen folio shall be referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or

Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

In compliance with this circular, letters were dispatched to 1,089 shareholders on 22.05.2023 for updation of KYC. Physical Shareholders are therefore requested to furnish their PAN, KYC and nomination details to the Registrar and Transfer Agent of the Company ie. Adroit Corporate Services Pvt. Ltd. within the timeline prescribed in the said circular.

The relevant formats for Updating of KYC and Nomination details along with SEBI circular have been uploaded on Company's website at <https://scansteels.com/others/> as well as on the website of **RTA** - Adroit Corporate Services Pvt. Ltd. at URL: <https://www.adroitcorporate.com/RandTServices.aspx>

Thus, we request you to furnish the details/documents in Form No. ISR-1, ISR-2, ISR-3 ISR-4 & Form No. SH-13/SH-14 along with necessary documents **at the earliest to our Registrar and Share Transfer Agent**

- Pursuant to SEBI circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, SEBI has directed that listed companies shall henceforth issue securities in dematerialized form only while processing the Transmission request and other services requests as mentioned in the circular as may be received from the securities holder/claimant. Members are requested to take Note of the Said Circular and Proceed with their Requests accordingly.
- Members wishing to claim shares that remain unclaimed from Unclaimed Suspense Account are requested to correspond with the RTA, or with the

Company Secretary, at the Company's registered office or at secretarial@scansteels.com.

DISCLOSURES

I) DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE: -

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest if any. All transactions entered into with Related Parties as defined under the Companies Act, 2013, Regulation 23 of the SEBI (LODR Regulations) during the financial year were in the ordinary course of business and on arm's length pricing basis. There are no materially significant transactions made by the company with its promoters, Directors or Management or relatives etc. that may have potential conflict with the interest of the Company at large. However, the related party relationships and transactions as required under Ind AS -24 on Related Party Disclosures prescribed under the Companies Act, 2013 are disclosed in Note - 32 of notes to the Accounts for the year ended 31st March, 2023 may be referred. All related party transactions are negotiated on an arms-length basis, and are intended to further the Company's interests.

The Company has also formulated a policy on dealing with the Related Party Transactions which can be accessed on our website at <https://scansteels.com/wp-content/uploads/2023/01/POLICY-ON-RELATED-PARTY-TRANSACTION.pdf>

Further, Necessary approval of the audit committee (read with SEBI LODR 3rd amendment Reg. 2021) and Board of directors were taken wherever required in accordance with the Policy.

Details of Related Party Transactions in form AOC 2 attached to Board Report may also be referred to.

II) STATUTORY COMPLIANCES, PENALTIES & STRICTURES

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. During the Year No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

III) WHISTLE BLOWER POLICY

The Whistle Blower Policy/Vigil Mechanism has been formulated by the Company with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or ethics policy or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements and incidents of leak or suspected leak of unpublished price sensitive information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy/Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism adopted by the Company in line with Section 177 of the Companies Act, 2013 and Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, and amended in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading), Regulations, 2015, which is a mandatory requirement, and the same has been posted on the Company's website at: <https://scansteels.com/wp-content/uploads/2023/01/SCAN-STEELS-LIMITED-WB-OR-VM-POLICY.pdf>

IV) SUBSIDIARY COMPANIES

As Your Company has No Subsidiaries, there are no details, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries, to be provided for the same.

V) LOANS AND ADVANCES IN WHICH DIRECTORS ARE INTERESTED

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

VI) POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURES.

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed a Policy on Determination of Materiality for Disclosures to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. The Policies have been uploaded on the Company's website at <https://scansteels.com/wp-content/uploads/2023/07/POLICY-ON-DISCLOSURE-OF-MATERIAL-EVENTS-AND-INFORMATION-1.pdf> - Investor Relations Segment.

VII) POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY

In accordance with Regulation 9 of SEBI LODR Regulations, 2015, the Company has framed a

Policy on preservation of documents approved by the Board of Directors of the Company. The Policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It not only covers the various aspects on preservation of the Documents, but also the safe disposal/destruction of the Documents.

Further the Company has an Archival Policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its web-site as required by law.

The Policies have been uploaded on the Company's website at https://scansteels.com/wp-content/uploads/2022/08/POLICY-ON-DOCUMENT-RETENTION-AND-ARCHIVAL_1.pdf

VIII) RECONCILIATION OF SHARE CAPITAL AUDIT

The Reconciliation of Share Capital Audit is conducted by a Company Secretary in practice to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") [collectively "Depositories"] and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with Depositories) and that the requests for dematerialisation of shares are processed by the R&T agents within stipulated period of 15 days and uploaded with the concerned depositories. The Reconciliation of Share Capital Audit report is placed before the Board on a quarterly basis and is also submitted to the Stock Exchanges where the shares of the Company are listed.

In terms of Regulation 40 (9) of the Listing Regulations, certificates, on a yearly basis, have been issued by the Company Secretary in-practice with respect to due compliance of share transfer formalities by the Company.

IX) SECRETARIAL AUDIT

The Company's Board of Directors appointed M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries, to conduct secretarial audit of its records and documents. The secretarial audit reports confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Depositories Act, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company.

Further, The Company has also taken Annual Secretarial Compliance Report from M/s. Amarendra Mohapatra & Associates, Practicing Company Secretary for the Year ended on 31st March, 2023 Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019. Which can be accessed at <https://scansteels.com/wp-content/uploads/2023/05/MARCH-2023.pdf>

X) A certificate has been received from M/s. Amarendra Mohapatra & Associates, Practising Company Secretaries, Pursuant to the provisions of Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that none of the Directors on the Board of the Company has 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 statutory authority and the same has been annexed with this Annual Report.

XI) M/s. SRB & Associates, Chartered Accountants (Firm's Registration No. 310009E) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, is given below:

INR ₹ (Lakhs)

Particulars	Amount
Statutory Audit Fees	16.50
Tax Audit Fees	3.50
Quarterly Limited Review Fees	4.05
Total	24.05

XII) MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A REPORT)

The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., are discussed in the said Report.

XV) LISTING ON STOCK EXCHANGES

The Company's Ordinary shares are listed on BSE Limited in India:

Stock Exchange	ISIN	Stock Code	Address	Website
BSE Limited	INE099GO1011	511672	Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort, Mumbai - 400 001. India. Tel: 91 22 2272 1233 Fax: 91 22 2272 1919	www.bseindia.com

XVI) REGISTRARS AND TRANSFER AGENTS

For communications regarding share transfer and dematerialization requests and all matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgment., Members are requested to correspond with the Company's Registrars and Transfer Agents – Adroit Corporate Services Pvt.

XIII) INTIMATION TO STOCK EXCHANGES

All price sensitive information and matters which are material and relevant to shareholders are intimated to the Stock Exchange (ie. BSE Limited) where the securities of the Company are listed.

XIV) FILING WITH BSE "LISTING CENTRE"

Pursuant to Regulation 10 (1) of the SEBI (LODR) Regulations, BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory filings and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Financial Results, Shareholding Pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report & Voting Results etc. All the data relating to financial results, various quarterly/half yearly /annual submissions/disclosure documents etc., have been filed Electronically/XBRL mode with the Exchange on the "Listing Centre" (<http://listing.bseindia.com>)

Limited quoting their folio no./DP ID & Client ID at the following addresses: -

Adroit Corporate Services Pvt Limited
17-20, Jafferbhoy Industrial Estate, 1st Floor,
Makwana Lane, Marol Naka, Andheri (E), Mumbai-
400 059. Tel: +91 22 42270400 / +91 22
42270423 / +91 22 42270427 / +91 22
42270422 Fax: +91 22 2850 3748
Email: info@adroitcorporate.com
Web Site: www.adroitcorporate.com

XVII] DISCLOSURE RELATING TO UNCLAIMED SUSPENSE ACCOUNT

In accordance with the requirement of Regulation 34 (3) and Part F of the Schedule V of SEBI Listing Regulations 2015, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
The aggregate number of shareholders and the outstanding shares in the suspense account at the beginning of the financial year 2022-23	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from suspense account during the financial year 2022-23	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year;	Nil	Nil
The aggregate number of shareholders and the outstanding shares in the suspense account at the end of the financial year 2022-23	01	100

The voting rights on these shares will remain frozen till the rightful owner claims the shares.

Members wishing to claim shares that remain unclaimed from Unclaimed Suspense Account are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at secretarial@scansteels.com.

A separate section on the Company's website at <https://scansteels.com/others/> gives information on unclaimed shares.

XVIII] NOMINATION FACILITY

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014, nomination facility is available to the shareholders. This facility is mainly useful for shareholders holding the shares in single name. In cases where the shares are held in joint names, the nomination will be effective only in the event of death of all the joint holders.

Investors are advised to avail of this facility, especially those holding securities in single name, to avoid the expensive and long drawn process of transmission by law.

Shareholders who hold shares in the physical form and have not availed nomination facility and Members desirous of cancelling/varying nomination in respect of their shares in the Company, as permitted under section 72 of the Companies Act, 2013 read with Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, may submit to RTA (Adroit Corporate Services Pvt. Limited), the prescribed Forms SH-13 and Form No. SH-14 respectively. and those who want to opt out of Nomination can send in form ISR - 3 after cancelling his/her existing nomination, if any, through form SH-14 to the Registrar and Transfer Agent of the Company. The nomination forms can be downloaded from the company's website at - <https://scansteels.com/others/> under Investor relations segment. However, if the shares are held in dematerialised form, the nomination requests have to be intimated to your depository participants directly, as per the format prescribed by them.

XIX] SHARES HELD IN ELECTRONIC FORM

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank or PAN details,

nomination and power of attorney should be given directly to the depository participants.

XXJ) SHARES HELD IN PHYSICAL FORM

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank or PAN details, nomination and power of attorney should be given to the Company's RTA viz. Adroit Corporate Services Pvt. Limited.

XXIJ) ADDRESS FOR CORRESPONDENCE

Name, designation & address of Compliance Officer:

Mr. Prabir Kumar Das,
Company Secretary and Compliance Officer,
104/105, E-Square, 1st Floor, Subhash Road,
Vile - Parle - (E), Mumbai - 400057
Phone - 022-26185461/62
Fax - 022-26185463

In terms of Regulation 46(2)(j) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated email address for investor complaint is secretarial@scansteels.com. The email address of grievance redressal division is continuously monitored by the company's compliance officer.

XXIIJ) OTHER INFORMATION TO THE SHAREHOLDERS GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the notice calling general meetings, audited financial statements, directors report, auditors report etc., to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/ Company/ Registrars & Transfer Agents.

This is also an opportunity for every shareholder of Scan Steels Limited to contribute to this Corporate Social Responsibility initiative of the Company. To support this green initiative in full measure, Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Adroit Corporate Services Pvt Limited (RTA), by sending a letter, duly signed by the first/sole holder quoting details of Name of the First Registered Member, Folio No, Address, E-mail ID, PAN No, Aadhar No. Mobile No. along with ID, Address Proof and self-attested copy of PAN and Aadhar card for authentication and Scanned Copy of Share Certificate (Front and Back) OR send an email with the requisite details at info@adroitcorporate.com and to the Company at secretarial@scansteels.com

* Request letter / consent for receiving documents in electronic mode is also attached with this annual report for the reference of the members of the Company.

XXIIIJ) DEPOSITORY SERVICES

Shareholders may write to the respective Depository or to Adroit Corporate Services Pvt. Limited for guidance on depository services.

Address for correspondence with Depositories are as follows:

1. National Securities Depository Limited - Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Road, Lower Parel, Mumbai-400 013. Telephone: (022) 2499 4200, Facsimile: (022) 2497 6351,

E-mail: info@nsdl.co.in, Website: www.nsdl.co.in

2. Central Depository Services (India) Limited – Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel (East), Mumbai – 400013. Phone: 91 - 22-2302-3333 , Fax: 91 - 22 - 2300 2035/2036.,

E-mail: helpdesk@cdslindia.com,

Website: www.cdslindia.com

XXIV) REMOTE E-VOTING AND VOTING ON THE DATE OF THE AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility as well as the e-voting system on the date of the AGM. 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 CDSL. Members, whose names appear on the register of members as on 22nd September, 2023 shall be eligible to participate in the e-voting.

XXV) DESIGNATED DEPOSITORY

SEBI, vide circular dated December 01, 2015, had introduced system-driven disclosures in securities market detailing the procedure to be adopted for its implementation with effect from January 01, 2016. The procedure was further streamlined vide SEBI circular dated December 21, 2016. As specified in SEBI circular dated December 01, 2015, the system is being implemented in phases and in the first phase, the disclosures of promoter/promoter group under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015 have been implemented, company had given required details about the same to concern authorities.

As per SEBI circular dated May 28, 2018 for implementation of the next phase of systems driven disclosure, Company had already provided to both depositories the information about its directors and employees in the manner prescribed by the depositories.

Further, as per SEBI circular dated September 09, 2020 systems driven disclosure was further implemented on Members of Promoter Group and designated persons in addition to the promoters and directors and in compliance with the said circular Company had already provided the said details to its Designated Depository.

Company has appointed Central Depository Services (India) Limited (“CDSL”) as its Designated Depository in order to comply with the SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018 regarding Monitoring of Foreign Investment limits in listed Indian companies.

XXVI) All Mandatory requirements have been appropriately complied with.

XXVII) NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE

There are no instances of non-compliance of Corporate Governance Report as mentioned in sub-paras (2) to (10) of para (C) of schedule V. The Company has been regularly submitting quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

XXVIII) The disclosures on corporate governance as required under Regulation 17 to 27 read with Schedule V (Except Reg. 24 as Company Does not have any Subsidiary Company) and clauses of sub-regulation (2) of 46 (Except Clause h, n, o, s, x, y- those are not Applicable to Company) have been adhered and complied with.

XXIX) ADOPTION OF DISCRETIONARY REQUIREMENTS:

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (LODR Regulations) is provided below:

- i. **The Board & Separate posts of Chairman and CEO:** The positions of the Chairman and

the CEO (WTD) are separate. Mr. Rajesh Gadodia, Non-Executive Chairman of the Company maintains office at the Company's expenses and is also allowed reimbursement of expenses incurred in performance of his duties.

- ii. **Shareholders' Rights:** As the quarterly, half yearly and annual financial performance including summary of significant events if any, are published in the newspapers, communicated to the stock exchanges and also posted on the Company's website under - the Investor Relation Corner. The complete Annual Report is sent to every Shareholders of the Company.
- iii. **Modified Opinion in Auditors Report:** It has always been the Company's endeavour to present financial statements with unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the

Company's financial statements for the year ended 31st March, 2023.

- iv. **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

XXX] COMPLIANCE WITH ACCOUNTING STANDARDS

The Company has followed Indian Accounting Standards ("Ind AS") in the preparation of the Financial Statements for accounting periods beginning on or after 01.04.2016, as per the roadmap announced by Ministry of Corporate Affairs Companies. The financial Statements for the year ended 31st March 2023 has been prepared in accordance with Ind AS. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

As provided under Regulation 26(3) and In terms of Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company I, Ankur Madaan, Whole - Time Director of Scan Steels Limited hereby declare that all the Board Members and the members of Senior Management of the company have complied with the Code of Conduct of the Company during the financial year 2022-23.

For Scan Steels Limited
Sd/-
Ankur Madaan
Whole- Time Director
(DIN: 07002199)

Place: Bhubaneswar
Date: 13th May, 2023

Certificate pursuant to the provisions of 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
SCAN STEELS LTD.

104-105, "E- Square", 1st Floor, Subhash Road,
Opp. Havmor Ice Cream, Vile Parle (E), Mumbai – 400057

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Scan Steels Limited having **CIN - L27209MH1994PLC076015** and having registered office at 104-105, "E- Square", 1st Floor, Subhash Road, Opp. Havmor Ice Cream, Vile Parle (E), Mumbai – 400057 (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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) as considered necessary and explanations furnished to us by the Company & 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 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Rajesh Gadodia	00574465	14.03.2014
2	Ankur Madaan	07002199	24.10.2014
3	Praveen Kumar Patro	02469361	30.05.2018
4	Punit Kedia	07501851	24.05.2016
5	Shravan Kumar Agrawal	09139761	15.06.2021
6	Debjani Sahu	02674022	26.03.2015

*Mr. Praveen Kumar Patro (DIN: 02469361) was appointed as an Executive Director of the Company designated as Director – Project, for a second term of 5 (five) consecutive years with effect from 30th May 2023 to 29th May 2028 and Members approval accorded for the same at the 29th Annual General Meeting of the Company held on 29th September, 2022.

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

For M/s. AMARENDRA MOHAPATRA & ASSOCIATES
Company Secretaries

Sd/-

[Amarendra Mohapatra]

Membership No.: A26257

C.P.No.: 14901

Place: Bhubaneswar
Date: 25th August, 2023

COMPLIANCE CERTIFICATE

To
The Members of
Scan Steels Limited

Sub: CEO/ CFO certification to the Board Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Ankur Madaan, Whole –Time Director and Gobinda Chandra Nayak, CFO, of Scan Steels Limited, hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference;
- ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bhubaneswar
Date: 25th August, 2023

Sd/-
Ankur Madaan
Whole- Time Director

Sd/
Gobinda Chandra Nayak
Chief Financial Officer

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 2013 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this,

the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. SRB & Associates, Chartered Accountants, Bhubaneswar, the Statutory Auditors of the Company.

Place: Bhubaneswar
Date: 25th August, 2023

For and on Behalf of the Board
Sd/-
Ankur Madaan
Whole- Time Director
(DIN: 07002199)

FINANCIAL STATEMENTS

2022-23

Independent Auditor's Report

To the Members of Scan Steels Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Scan Steels Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rule, 2015, as amended, (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.

Sl.No.	Key audit Matter	Auditor's Response
1.	<p>Application of Ind AS 115 "Revenue from Contract with Customers") involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 1.5 and 1.7 to the Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> ▪ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. ▪ Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. ▪ Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. ▪ Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> ▪ Read, analyzed and identified the distinct performance obligations in these contracts. ▪ Compared these performance obligations with that identified and recorded by the Company. ▪ Considered the terms of the contracts to determine the transaction parties including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. ▪ Sample in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ▪ In respect of samples relating to fixed price contract progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change to management controls relating to these systems.

		<ul style="list-style-type: none"> ▪ Sample of revenues disaggregated by type and service offering was tested with the performance obligations specified in the underlying contracts. ▪ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. ▪ We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over the remaining performance obligations will be satisfied subsequent to the balance sheet date. ▪ The standard is applied retrospectively and the cumulative effect of applying this standard is recognized. The adoption of Ind AS 115 did not have any significant impact for the company.
2	Contingent Liabilities against litigation and claims	<p>We have obtained an understanding of the company's internal instructions and procedures in respect of estimation and disclosure of contingent liabilities and adopted the following audit procedures:</p> <ul style="list-style-type: none"> ▪ Understood and tested the design and operating effectiveness of control established by the management for obtaining all relevant information for pending litigation cases. ▪ Discussed with the management any material developments and latest status of legal matters. ▪ Read various correspondences and related documents pertaining to litigation cases and relevant external legal opinions obtained by the management and performed various substantive procedures on calculation supporting the disclosure of contingent liabilities. ▪ Examined management's judgment and assessment those matters that are not disclosed as the probability of material outflow is considered to be remote. ▪ Reviewed the adequacy and completeness of disclosures. <p>Based on the above procedures performed estimation and disclosure of contingent liabilities are considered to be adequate and reasonable.</p>

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 Management Discussion and Analysis of Board's Report including Annexures to board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease 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 Financial Statements

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

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

- Identify and assess the 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

audit matters. We describe these matters in our 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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of 143(11) of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of

Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with provision of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, 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. No dividend is declared or paid during the year and the previous year by the company. Hence compliance with Section 123 of the Companies Act is not applicable.
- vi. As proviso to Rule 3(1) of the Companies [Accounts] Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

Bhubaneswar
13th May, 2023
UDIN: 23306323BGWVRU2060

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E
Sd/-
K. P. Swain
Partner
M. No: 306323

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanation provided to us by the company and the books of account and records examined by us in the normal course of audit, we states that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use of assets.

(b) The Company has maintained proper records showing full particulars of intangible assets.

(c) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(d) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where

the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. excepting in the following cases: -

- Freehold land of 7.68 Acres situated in Village Raiberna and Laing, Sundergarh, Odisha of which a valid registered title deed is in the name of M/s. Shristi Ispat Limited, the company which was merged in to this company during 2005.
- Land of 24.820 Acres occupied, by the company situated in Village-Kudithini, Bellary, Karnataka, on long term lease basis.
- Land of 7.95 Acres occupied, by the company situated in Village-Raiberna and Laing, Sundergarh, Odisha, which is in the name of one of the relative of Key Managerial Personnel, on long term lease basis, subsequently registered title deed has been executed between the parties.
- Land area of Ac 5.000 dec and Ac 1.780 dec aggregating area Ac 6.780 dec occupied, by the company situated in Village-Laing & Rajgangpur, Sundergarh, Odisha, on long term lease basis. These lease deed has been executed between the Governor of Odisha represented by the Collector, Sundergarh and the company M/s Shristi Ispat Limited (subsequently merged in to this company during the year 2005).

- (e) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.
- (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on the aforesaid verification between the physical stocks and book records were not material.
- b. The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial Institutions to meet the requirements of working capital secured against hypothecation of stocks, receivables and other current assets of the company with charge over equitable mortgage of landed property as collateral security. We report that:
- The quarterly statements filed by the company are in consonance with the books of accounts of the company.
 - Statement of stock valuation is in compliance with the accounting standards.
 - Statement of ageing of the receivables and payables are in agreement with the books of accounts of the company.
- (iii) No such loan has been granted by the Company (secured/ unsecured loans) to companies/ firms/ limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly reporting under clause 3 (iii) is not applicable.
- (iv) No such Loan granted, investment made and guarantee and security provided under the provision of Section 185 and 186 of the Act. Hence, reporting under clause 3 (iv) is not applicable.
- (v) The Company has not accepted any deposits or amount which are deemed to be deposits from the public. Hence, reporting under clause 3 (v) is not applicable.
- (vi) We have reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) In respect of Statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of are given as below.

STATEMENT OF DISPUTED DUES

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (In Rs 'Lakhs')	Forum where dispute is pending
Custom Act 1962	Custom Duty	2012 & 2013	111.58	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
Entry Tax	Entry Tax	01-04-2007 to 31-03-2009	1.24	OST Tribunal, Cuttack
		01-04-2008 to 28-02-2011	3.18	OST Tribunal, Cuttack
		01-04-2012 to 31-03-2014	5.38	OST Tribunal, Cuttack
		30-01-2019 to 19-02-2020	3.56	OST Tribunal, Cuttack
		1999-2000	1.60	OST, Tribunal Cuttack
		2000-2001	0.85	OST, Tribunal Cuttack
		2005-2006	16.33	OST, Tribunal Cuttack
		2006-2007	30.28	OST, Tribunal Cuttack
		01-04-2007 to 31-03-2009	0.67	OST, Tribunal Cuttack
		01-04-2008 to 28-02-2011	315.77	OST, Tribunal Cuttack
		01-04-2012 to 31-03-2014	18.74	OST, Tribunal Cuttack
Odisha Sale Tax Act	OST	2001-2002	1.05	OST, Tribunal Cuttack
		2002-2003	11.00	OST, Tribunal Cuttack
OVAT	OVAT	2006-2007	13.55	OST, Tribunal Cuttack
		01-04-2009 - 31-03-2011	1.98	OST, Tribunal Cuttack
		01-04-2008-28-02-2011	1499.34	OST, Tribunal Cuttack
		01-04-2016- 30-06-2017	0.87	JCCT. Appeal, RKL
Income Tax	Income tax	2016-17	15.00	Appellate Authority
Income Tax	Income tax	2020-21	3.82	Appellate Authority

(viii) 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.

(ix) Reporting under clause 3(ix) in respect of following are given as under:

(a) No such default come to our notice in repayment loans or borrowings.

(b) The Company not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) On an overall examination of the financial statements of the Company, funds raised on short term basis have not been used during the year for long term purposes by the company.

- (d) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (x) Reporting under clause 3(x) of the Order is not applicable on following sub clause.
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- (xi) Reporting under clause 3(x) of the Order are as under:
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) 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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company. Hence reporting under the clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) Reporting under clause 3(xiv) of the Order are as under:
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (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) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under the clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) on the basis of financial ratio, ageing and expected dates of realization 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)(a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) As per the information provided to us and as per the verification of the documents, the Company has no ongoing projects relating to corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Bhubaneswar
13th May, 2023
UDIN: 23306323BGWVRU2060

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E
Sd/-
K. P. Swain
Partner
M. No: 306323



Annexure -B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Scan Steels Limited ("the Company") as of March 31, 2023 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards

on Auditing, (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Bhubaneswar
13th May, 2023
UDIN: 23306323BGWVRU2060

For SRB & Associates
Chartered Accountants
F.Regd. No-310009E
Sd/-

K. P. Swain
Partner
M. No: 306323



Balance Sheet as at 31st March, 2023

Particulars	Notes	31st March'2023 INR 'Lakhs'	31st March'2022 INR 'Lakhs'
I. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipments	2	28,087.44	26,006.25
(b) Capital work-in-progress	2	218.44	474.09
(c) Other Intangible Assets	2	0.29	0.29
(d) Financial Assets			
(i) Investments	3	1,306.41	771.50
(ii) Loans		-	-
(iii) Other Financial Assets	4	1,643.59	1,721.48
(e) Other non-current Assets	5(i)	2,009.76	1,862.14
(f) Deferred Tax Assets (Net)		-	-
2. Current Assets			
a. Inventories	7	15,868.04	12,409.48
b. Financial Assets			
(i) Investments		-	26.33
(ii) Trade Receivables	8	4,266.19	5,511.19
(iii) Cash & Bank balances	9	956.29	2,153.71
(iv) Other Financial Assets		-	-
c. Other Current Assets	5(ii)	2,204.39	2,929.79
TOTAL		56,560.84	53,866.24
II. EQUITY AND LIABILITIES			
1. Equity			
a. Equity Share Capital	10	5,235.23	5,235.23
b. Other Equity	11	31,362.57	29,849.80
2. Non-Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	12(i)	3,951.35	5,350.02
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
b. Provisions		-	-
c. Deferred Tax Liabilities (Net)	6	3,497.95	3,383.58
d. Other Non-Current Liabilities		-	-
3. Current Liabilities			
a. Financial Liabilities			
(i) Borrowings	12(ii)	7,290.92	5,243.82
(ii) Trade Payables	13		
a. Total Outstanding Dues of micro and small enterprises		19.02	11.22
b. Total Outstanding Dues of creditors other than micro and small enterprises		1,554.31	1,722.77
(iii) Other Financial Liabilities	14	2,164.66	1,392.43
b. Provisions		500.00	453.10
c. Other Current Liabilities	15	984.83	1,224.26
TOTAL		56,560.84	53,866.24

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

1 to 47

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E
Sd/-
K. P. Swain
Partner
M.No.306323

For and on behalf of the Board
Scan Steels Limited

Sd/-
Ankur Madaan
Director
DIN: - 07002199
Sd/-
Prabir Kumar Das
Company Secretary

Sd/-
Praveen Kumar Patro
Director
DIN: - 02469361
Sd/-
Gobinda Ch. Nayak
Chief Financial Officer

13th May 2023
Bhubaneswar

Statement of Profit and Loss for the period ended 31st March, 2023

Particulars	Notes	Year ended 31st March, 2023 INR 'Lakhs'	Year ended 31st March, 2022 INR 'Lakhs'
Income			
I. Revenue from Operations	16	1,09,078.34	1,00,018.48
II. Other Incomes	17	599.17	215.12
III. Total Income		1,09,677.52	1,00,233.60
IV. Expenses			
(a) Cost of Raw Materials Consumed	18	79,419.50	73,230.68
(b) Purchases of Stock in Trade		7,358.30	556.01
(c) Change in Inventory (Increase) / Decrease	19	(30.81)	1,651.88
(d) Employee Benefit Expenses	20	3,034.17	2,744.26
(e) Finance Cost	21	1,930.85	894.00
(f) Depreciation and Amortization	2	1,328.75	1,280.85
(g) Other Expenses	22	14,436.86	13,290.27
Total Expenses		1,07,477.62	93,647.94
V. Profit Before exceptional and extra ordinary items and tax		2,199.90	6,585.67
Exceptional items		-	-
VI. Profit before extraordinary items and tax		2,199.90	6,585.67
VII. Extraordinary items		-	-
VIII. Profit before Taxes		2,199.90	6,585.67
IX. Taxes Expenses			
(a) Current Tax		500.00	453.10
(b) Deferred Tax		114.36	1,097.31
(c) Income tax / Others for earlier years		53.63	(42.17)
Total Tax Expenses		667.99	1,508.24
X. Profit (Loss) for the Year		1,531.90	5,077.42
XI. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss :			
(a) Changes in investments in equity shares carried at FVTOCI		(19.14)	(8.43)
(b) Income tax effect		-	-
(ii) Items that will be reclassified subsequently to profit or loss :			
(a) Re-measurement of defined employee benefit plans		-	-
(b) Fair Valuation of Commodity / Derivative instruments		-	-
(c) Income tax effect		-	-
XII. Total Other comprehensive Income after tax		(19.14)	(8.43)
XIII. Total comprehensive income for the period		1,512.76	5,068.99
XIV. Earnings per equity share:			
(1) Basic		2.93	9.70
(2) Diluted		2.93	9.70

The accompanying notes form an integral part of the standalone financial statements 1 to 47
As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E
Sd/-
K. P. Swain
Partner
M.No.306323

13th May 2023
Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Sd/-
Ankur Madaan
Director
DIN: - 07002199

Sd/-
Prabir Kumar Das
Company Secretary

Sd/-
Praveen Kumar Patro
Director
DIN: - 02469361

Sd/-
Gobinda Ch. Nayak
Chief Financial Officer

Statement of Cash Flow for the Year Ended 31st March, 2023

Accounting Policy

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investment that are readily convertible to known amounts of cash to be cash equivalents.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(A) Operating Activities		
Profit before tax from continuing operations	2,199.90	6,585.67
Profit/(loss) before tax from discontinuing operations	-	-
Profit before tax	2,199.90	6,585.67
Adjustments for		
Depreciation and Amortisation	1,328.75	1,280.85
Loss/(Gain) on Sale of Property, plant and equipment and Shares	(447.79)	-
Interest Income	(137.04)	(56.51)
Profit on sale of mutual Fund	(11.10)	(38.13)
Loss on sale of Securities	4.62	-
Interest Paid	1,930.85	894.00
Interest on Income Tax refund	-	(39.56)
Dividend Income	(0.31)	(0.18)
Other Income	(2.94)	(80.74)
Operating profit / (loss) before working capital changes	4,864.94	8,545.38
Working capital adjustments:		
Increase/(decrease) in Short-term Borrowings	2,047.10	545.12
Increase/(decrease) in Trade payables	(160.65)	227.96
Increase/(Decrease) in Other current financial liabilities	772.23	(358.90)
Increase/(decrease) in Other current liabilities	(239.43)	(1,008.58)
Decrease/(increase) in Current Investment	26.33	(26.33)
Decrease/(increase) in Trade receivables	1,245.00	(2,693.26)
Decrease/(increase) in Inventories	(3,458.56)	490.39
Decrease/(increase) in Other current assets	740.53	(390.49)
Cash generated from Operations	5,837.49	5,331.30
Income taxes paid	(508.20)	(450.00)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	5,329.28	4,881.29
(B) Investing Activities		
Purchase of property, plant and equipment	(3,301.04)	(815.00)
Proceeds from Sale of Property, Plant and equipment	579.00	-
Proceeds from Sale of Investment	74.89	47.30
Purchase of Mutual Fund	(387.50)	(330.00)
Purchase of Equity Shares	(30.15)	(421.20)
Investment in Partnership Firm	(200.00)	-
Interest received (finance income)	137.04	56.51
Dividend received (finance income)	0.31	0.18
Movement in Other Non-current financial assets	77.88	(71.71)
Movement in Other Non-current assets	(147.63)	(1,044.91)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES (B)	(3,197.19)	(2,578.84)
(C) Financing Activities		
Interest paid	(1,930.85)	(894.00)
Proceeds / (Repayment) of Borrowings	(1,398.67)	461.85
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES (C)	(3,329.52)	(432.15)
Net Foreign exchange difference	-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,197.43)	1,870.31
Cash and cash equivalents at the beginning of the year	2,153.71	283.41
Cash and cash equivalents at year end	956.29	2,153.71

The accompanying notes form an integral part of the Standalone financial statements
As per our report of even date attached.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E
Sd/-
K. P. Swain
Partner
M.No.306323

13th May 2023
Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Sd/-
Ankur Madaan
Director
DIN: - 07002199

Sd/-
Prabir Kumar Das
Company Secretary

Sd/-
Praveen Kumar Patro
Director
DIN: - 02469361

Sd/-
Gobinda Ch. Nayak
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

Particulars	Nos. of Shares	Amount INR' Lakhs'
As at 1st April 2022	523.52	5,235.23
Changes in equity share capital	-	-
As at 31st March 2023	523.52	5,235.23

B. Other Equity

Amount INR' Lakhs'

Particulars	Attributable to owners of Scan Steels Limited							
	Equity component of compound financial instruments	Reserves and surplus			Other reserves		Total Other Equity	
		General Reserves	Securities Premium	Retained Earnings	Capital Reserves	FVOCI-equity investments		Reserves for Commodity Derivatives
Balance at 1st April 2022	-	1,344.12	19,864.84	8,076.42	554.73	9.70	-	29,849.80
Profit for the year	-	-	-	1,531.90	-	-	-	1,531.90
Other comprehensive income	-	-	-	-	-	(19.14)	-	(19.14)
Total comprehensive income for the year	-	1,344.12	19,864.84	9,608.32	554.73	(9.44)	-	31,362.57
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Balance at 31st March 2023	-	1,344.12	19,864.84	9,608.32	554.73	(9.44)	-	31,362.57

For SRB & Associates

Chartered Accountants

F. Regd. No.310009E

Sd/-

K. P. Swain

Partner

M.No.306323

13th May 2023

Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Sd/-

Ankur Madaan

Director

DIN: - 07002199

Sd/-

Praveen Kumar Patro

Director

DIN: - 02469361

Sd/-

Prabir Kumar Das

Company Secretary

Sd/-

Gobinda Ch. Nayak

Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2022

Other Equity

Amount INR' Lakhs'

Particulars	Attributable to owners of Scan Steels Limited							
	Equity component of compound financial instruments	Reserves and surplus			Other reserves			
		General Reserves	Securities Premium	Retained Earnings	Capital Reserves	FVOCI-equity investments	Reserves for Commodity Derivatives	
Balance at 1st April 2021	-	1,344.12	19,864.84	2,999.00	554.73	18.13	-	24,780.81
Profit for the year	-	-	-	5,077.42	-	-	-	5,077.42
Other comprehensive income	-	-	-	-	-	(8.43)	-	(8.43)
Total comprehensive income for the year	-	1,344.12	19,864.84	8,076.42	554.73	9.70	-	29,849.80
Deferred hedging gains/(losses) and costs of hedging transferred to the carrying value of inventory purchased in the year	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Balance at 31st March 2022	-	1,344.12	19,864.84	8,076.42	554.73	9.70	-	29,849.80

For SRB & Associates

Chartered Accountants

F. Regd. No.310009E

Sd/-

K. P. Swain

Partner

M.No.306323

For and on behalf of the Board

Scan Steels Limited

Sd/-

Ankur Madaan

Director

DIN: - 07002199

Sd/-

Praveen Kumar Patro

Director

DIN: - 02469361

13th May 2023

Bhubaneswar

Sd/-

Prabir Kumar Das

Company Secretary

Sd/-

Gobinda Ch. Nayak

Chief Financial Officer

**NOTES TO
FINANCIAL STATEMENTS
2022-23**

Notes forming part of Financial Statements

Note -1A SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

M/s Scan Steels Limited is a public limited company domiciled in Maharashtra, India. The company has its listings on the BSE Limited in India. The company is engaged in manufacturing of steel products and in generation of power for captive consumption.

1.2 Basis of Preparation

(i) Compliance with Ind AS :

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention :

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

- a) certain financial assets and liabilities and contingent consideration that is measured at fair value;
- b) Assets held for sale – measured at fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value; and share-based payments.

As the year end figures taken from the source and rounded to nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

1.3 Use of Estimates :

- (i) The preparation of the financial statements are in conformity with Indian Accounting Standards (Ind AS) that requires management to make judgment estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosures relating to contingent liabilities as at the end of the reporting period.
- (ii) Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.
- (iii) Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact and that are believed to be reasonable under the circumstances.

1.4 Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

i. Property, Plant and Equipment

- a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

- b) The whole of the finance charges paid on assets acquired under Hire Purchase Scheme are considered as “Unmatured finance charges” under the head “Other Current Assets” in the Balance sheet. Subsequently, at the end of the year the portion of finance charges is transferred to profit & loss account on the basis of the number of instalments due during the year.

ii Depreciation methods, Estimated useful lives and Residual value

- a) Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.
- b) Depreciation on assets purchased/acquired during the year is charged from the date of purchase of the assets.
- c) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- d) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

iii. Intangible Assets :

- a) Intangible assets are recorded at the consideration paid for acquisition of such assets and claimed at cost less accumulated amortization and impairment.

b) Amortisation methods and periods

The entity amortises intangible assets with a definite useful life using the straight-line method.

iv. Capital Work-in-Progress

Capital Work-In-Progress comprises of the cost of Fixed Assets that are not yet ready for their intended use at the reporting date.

1.5 Financial Instruments

Initial Recognition

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

Subsequent Recognition

i. Financial Assets

a) Measured at amortised cost:

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

b) Measured at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

c) Measured at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition.

d) Equity instruments:

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net off direct issue cost.

Investment in quoted equity instruments are measured at fair value through other comprehensive income on the basis active bid market prices and accordingly the changes in fair value has been recognised in the retained earnings as at the date of transition and subsequently in the Other Comprehensive income.

ii. Financial Liabilities

- a) Financial liabilities are measured at amortised cost using effective interest method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.
- b) Interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method. Gain and losses recognised in profit and loss when the liabilities are derecognised.

iii De-Recognition

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

liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The entity transfers the difference between the carrying amount of Financial Liability (Bank Loan) and the consideration paid in full settlement to wave off the loan to profit and loss account.

1.6 Inventories :

Raw materials, Stores and Spares, Semi-finished Goods, Traded and Finished Goods

- a) Raw materials, components and stores & spares are valued at cost following FIFO method. Cost includes purchase price, freight, handling charges and other directly attributable costs to bring the material to its present location and are net of duties and taxes wherever applicable.
- b) Semi-finished goods, finished goods and traded goods are valued at lower of cost or Net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on average cost of production.
- c) Cost of finished goods inside the plant is exclusive of GST
- d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

1.7 Cash and Cash Equivalents :

For the purpose of presentation in the statement of financial statements, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.8 Contributed Equity :

- a. Equity shares are classified as equity.
- b. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Borrowings :

- i. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.
- ii. Preference shares, which are mandatorily redeemable on a specific date, are classified as Non Current Financial Liabilities in the "Note 12 - Borrowings".
- iii. Borrowings are withdrawn from the balance sheet when obligations specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses).
- iv. Borrowings are classified as current liabilities unless the entity has an unconditional right

to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current and if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.10 Trade and Other Payables :

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.11 Provisions & Contingent Liabilities:

- a. A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Contingent assets are not recognized.
- b. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a

whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

- c. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

1.12 Income Tax :

- i. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
- ii. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.
- iii. Current income tax expense comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961.
- iv. Deferred income tax is provided in full, using the balance sheet approach, on temporary

differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- v. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- vi. Deferred tax assets and liabilities are set off when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are set off where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
- vii. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.13 Revenue Recognition :

- i. Revenue is measured at fair value of consideration received or receivable. Amount

disclosed as revenue are net of returns, trade allowances, rebates, Goods and services tax and amounts collected on behalf of third parties.

- ii. It recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.
- iii. The company adopts the following criteria for recognizing the revenue:-
 - a) Sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.
 - b) Sale of stock in trade is recognized when the goods are dispatched to the customers.

1.14 Purchases :

Purchase of materials is recognized on dispatch of such goods by the suppliers based on certainty of receipt of such goods at the factory. It is shown net of GST credit wherever applicable.

1.15 Employee Benefits :

(i) Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

All Short term employee benefits such as salaries, incentives, special award, medical benefits which fall due within 12 months of the period in which the employee renders related

services, which entitles him to avail such benefits and non accumulating compensated absences (like maternity leave and sick leave) are recognized on an undiscounted basis and charged to Statement of Profit and loss.

(ii) Post-employment obligations

The entity operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity, Superannuation; and
- (b) defined contribution plans such as provident fund.

Provident fund obligations

Contribution to the provident fund, which is a defined contribution plan, made to the Regional Provident Fund Commissioner is charged to the Statement of Profit and loss on accrual basis.

Gratuity and Superannuation obligations

The company has not made any provision with regard to gratuity and superannuation benefits on actuarial basis in compliance to the provisions laid in accounting standard on accounting for retirement benefits. However the company has taken a group gratuity policy with life insurance corporation of india in respect of retirement benefits of its employees, the annual premium of which is charged to the Statement of Profit and Loss.

(iii) Bonus plans

The entity recognises a liability and an expense for bonus. It recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.16 Borrowing Costs :

- a) General and specific borrowing costs that are directly attributable to the acquisition,

construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

- b) Other borrowing costs are expensed in the period in which they are incurred.

1.17 Segment Reporting :

- (i) The Company is primarily engaged in the business of manufacturing of steel and power for captive consumption.
- (ii) The company's products are dispatched from plants located at Rajgangpur (Odisha), and Bellary (Karnataka) to various parts of the country and considering the customer base which is wide spread all over the country, no such geographical differentiation can be done for presenting the information.

1.18 Rounding of Amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated. Also the figures of additions and/or subtractions have been rounded up/off automatically for reporting at INR in lakhs.

NOTE - 1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Company's 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. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation

of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

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. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. JUDGEMENTS

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

Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to

occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due

to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.



Notes forming part of Financial Statements

Note-2: Property, Plant and Equipment

Particulars Gross Carrying Amount (Deemed Cost)	Land # INR 'Lakhs'	Freehold Buildings INR 'Lakhs'	Furniture, Fittings and Equipment INR 'Lakhs'	Plant and Machinery INR 'Lakhs'	Total INR 'Lakhs'	Capital Work- in-Progress INR 'Lakhs'	Intangible Assets INR 'Lakhs'
At 1st April, 2022	4,130.80	10,471.33	48.60	30,824.86	45,475.59	474.09	5.77
Additions during the year	-	624.34	-	2,924.23	3,548.56	3,414.04	-
Exchange differences	-	-	-	-	-	-	-
Disposals/Deletions during the year	(136.22)	-	-	(40.02)	(176.24)	(3,669.68)	-
At 31st March, 2023	3,994.59	11,095.67	48.60	33,709.06	48,847.92	218.44	5.77
Accumulated Depreciation and Impairment							
At 1st April, 2022	-	3,590.82	41.27	15,837.25	19,469.34	-	5.49
Depreciation for the year	-	320.20	1.05	1,007.50	1,328.75	-	-
Disposals/Deletions during the year	-	-	-	(37.62)	(37.62)	-	-
At 31st March, 2023	-	3,911.02	42.32	16,807.13	20,760.47	-	5.49
Depreciation for the period ended 31st Mar, 22	-	304.53	1.07	975.25	1,280.85	-	-
Net Book Value							
At 31st March, 2023	3,994.59	7,184.65	6.28	16,901.93	28,087.44	218.44	0.29
At 31st March, 2022	4,130.80	6,880.51	7.33	14,987.60	26,006.25	474.09	0.29
Amortization							
At 31st March, 2023				-	-	-	-
At 31st March, 2022				-	-	-	-
Depreciation and Amortization							
At 31st March, 2023	-	320.20	1.05	1,007.50	1,328.75	-	-
At 31st March, 2022	-	304.53	1.07	975.25	1,280.85	-	-
Net Book Value							
					As at 31st March'2023	As at 31st March'2022	
Property, Plant and Equipment					INR 'Lakhs'	INR 'Lakhs'	
Capital Work-in-progress					28,087.44	26,006.25	
Intangible Assets					218.44	474.09	
					0.29	0.29	

Aging of Capital Work in Progress : Aging Schedule for the year ended

Capital Work in Progress (CWIP)	Amount of CWIP/IAuD for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
Projects in Progress (as at 31st March, 2023)	218.44	-	-	218.44
As at 31st March 2022	474.09	-	-	474.09

a) Freehold land of 7.68 Acres situated in Village Raiberna and Laing, Sundergarh, Odisha of which a valid registered sale deed is in the name of M/s. Shristi Ispat Limited, the company which was merged in to this company during 2005.

b) Land of 24.820 Acres occupied by the company situated in Village-Kudithini, Bellary, Karnataka, on long term lease basis.

c) Land of 7.95 Acres occupied, by the company situated in Village-Raiberna and Laing, Sundergarh, Odisha, which is in the name of one of the relative of Key Managerial Personnel, on long term lease basis, subsequently registered sale deed has been executed with the company.

d) Land area of Ac 5.000 dec and Ac 1.780 dec aggregating area Ac 6.780 dec occupied, by the company situated in Village-Laing & Raigangpur, Sundergarh, Odisha, on long term lease basis. These lease deed has been executed between the Governor of Odisha represented by the Collector, Sundergarh and the company M/s Shristi Ispat Limited (subsequently merged in to this company during the year 2005).

Note-3: Investments

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Investments at fair value through OCI (fully paid)		
a. Quoted Shares		
Investment carried at fair value through other comprehensive income		
369481 nos equity shares of Globus Corporation Limited. (31st March,2022:369481 Nos)	1.29	1.33
31474 nos equity shares of PFL Infotech Ltd. (31st March,2022:31474 Nos)	1.12	1.68
55449 nos equity shares of Polytex India Limited. (31st March,2022:55449 Nos)	2.11	2.94
25 nos equity shares of Voltas Limited. (31st March,2022: Nil)	0.20	-
b. Un-Quoted Shares		
Investment carried at fair value through other comprehensive income		
Investment in Mutual Fund	650.19	344.22
Investment carried at cost		
4360 nos equity shares of Millenium Cybertech Limited. (31st March,2022:4360 Nos)	0.05	0.05
25363 nos equity shares of Matra Realty Limited. (31st March,2022:25363 Nos)	0.08	0.08
1500 nos of Equity Shares of RPSG Agro Comm. Pvt.ltd Rs. 10/- each (At Cost) (31st March,2022:Nil)	0.15	-
15,04,000 nos of Equity Shares of Karma Re-Rollers Private limited Rs. 10/- each at a premium of Rs.20/- each(At Cost) (31st March,2022:14,04,000 Nos)	451.20	421.20
Investment In Partnership Firm (31st March,2022: Nil)	200.00	-
Total	1,306.41	771.50
Aggregate cost price of quoted shares	10.68	10.48
Aggregate market value of quoted shares	4.73	5.95

Note-4: Other Financial Assets

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Security Deposits	1,373.47	1,462.31
Other bank balances*	270.12	259.16
Sub-Total	1,643.59	1,721.48
*Details of other balances with banks		
Other bank balances consist of the following:		
Earmarked Balances with Banks		
Term Deposits with Bank	140.10	136.80
Margin money, guarantee and security with banks	85.41	76.72
Accrued Interest on Fixed Deposits & Others	44.62	45.64
Total	270.12	259.16

*The margin money in form of fixed deposits (kept for more than 12 months) earmarked for issuing Bank Guarantee. Fixed deposits face value of INR 90 lakhs held as collateral security with lead bank State Bank of India on behalf of consortium member banks.

Note-5 :Other Assets

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
(i) Non-Current		
Advance against Property	1,408.90	635.36
Advance For Capital Goods	-	597.41
Other Long term Loan & Advances	169.32	169.32
Balances with Government Authorities	429.59	459.80
Unmatured Financial Charges	1.96	0.25
Sub-Total	2,009.76	1,862.14
(ii) Current		
Advance to Suppliers & Expenses	1,264.17	1,986.46
Balances with Government Authorities	895.61	902.02
Prepaid Expenses	41.60	39.48
Unmatured Financial Charges	3.01	1.82
Sub-Total	2,204.39	2,929.79
Total	4,214.16	4,791.93

Note-6 :Deferred tax assets/(liabilities)(net)

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
(i) Opening balance	(3,383.58)	(2,286.27)
(ii) Closing balance		
Property, Plant and Equipment and Intangible Assets	(3,520.00)	(3,396.81)
Allowance/Disallowances of expenses	22.05	13.23
Sub- Total	(3,497.95)	(3,383.58)
(iii) Transfer to Statement of profit and loss(ii-i)	(114.36)	(1,097.31)

Note-7: Inventories

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Raw Materials	12,101.52	9,157.67
Semi-finished goods	136.16	301.55
Finished Goods-Manufacturing	2,640.44	2,540.55
Stock-in-trade	99.45	3.14
Stores, spares and consumables	890.46	406.57
Total	15,868.04	12,409.48

Note 8 :Trade Receivables

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Unsecured, considered good		
Debtors More than Six Months	284.02	294.46
Others	3,991.65	5,216.73
Total	4,275.67	5,511.19
Less: Allowances for Credit Loss (Note-41)	9.48	-
Total	4,266.19	5,511.19

No trade receivables or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner or a director. The amount due from firms / private companies are to the tune of current Year INR Nil, Prev Year INR 1478.42 Lakhs

Trade receivables are non-interest bearing and are generally on terms of 15 to 20 days.

Trade Receivables aging schedule for the year ended as on March, 31 2023 and March, 31 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 Months-1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade Receivables-considered good	-	3,991.66	57.54	54.35	4.56	104.43	4,212.54
As at 31st March , 2022	-	5,216.73	55.51	16.94	-	158.87	5,448.05
Undisputed trade Receivables-credit impaired	-	-	-	-	-	63.14	63.14
As at 31st March , 2022	-	-	-	-	-	63.14	63.14
Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
As at 31st March , 2022	-	-	-	-	-	-	-
Total Trade Receivables	-	3,991.66	57.54	54.35	4.56	167.57	4,275.68
Less: Allowances for Credit Loss						9.48	9.48
Net Trade Receivables		3,991.66	57.54	54.35	4.56	158.09	4,266.19
As at 31st March , 2022	-	5,216.73	55.51	16.94	-	222.01	5,511.19

Note-9: Cash and Bank Balances

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Balances with banks		
In Current Accounts	1.17	32.29
Cheque In hand	579.04	-
In Deposits Accounts	270.12	2,259.16
Cash on Hand	376.08	121.43
Sub Total	1,226.41	2,412.87
Less: Balances with bank other than above(Note-4)	(270.12)	(259.16)
Total	956.29	2,153.71

Note-10:Equity Share Capital

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Equity Share Capital		
a) Authorised		
550 lakhs Nos of Equity shares of 10/- each	5,500.00	5,500.00
150 lakhs Nos of Preference shares of 10/- each (P.Y: 550 lakhs Nos of Equity shares of 10/- each)	1,500.00	1,500.00
(P.Y: 150 lakhs Nos of Preference shares of 10/- each)		
	7,000.00	7,000.00
b) Issued, Subscribed and Paid Up		
Equity Shares:		
523.52 lakhs Nos of shares of 10/- each fully paid up (P.Y 523.52 lakhs Nos of shares of 10/- each fully paid up)	5,235.23	5,235.23
Total	5,235.23	5,235.23
i) Reconciliation of number of equity shares are set out below:		
a) Shares outstanding at the beginning of the financial year.	523.52	523.52
b) Issued during the year	-	-
Shares outstanding at the end of the financial year	523.52	523.52

c) Details of shareholders holding more than 5% of shares

Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
i) Rajesh Gadodia	54.63	10.44%	54.63	10.44%
ii) Archana Gadodia	47.71	9.11%	47.71	9.11%
iii)Artline Commerce Pvt Ltd	95.67	18.27%	95.67	18.27%
iv) Bayanwala Brothers (p) Limited	53.84	10.28%	53.84	10.28%
v) Florence Securities Pvt Ltd	26.00	4.97%	35.00	6.69%

The Company has a single class of Equity shares. Accordingly ,all equity shares rank equally with regard to dividend and share in the company's residual assets.

d) Details of Promoters' Holding

Name of the Shareholders	No. of Shares	% held	No. of Shares	% held
i) Rajesh Gadodia	54.63	10.44%	54.63	10.44%
ii) Archana Gadodia	47.71	9.11%	47.71	9.11%
iii)Artline Commerce Pvt Ltd	95.67	18.27%	95.67	18.27%
iv) Bayanwala Brothers (p) Limited	53.84	10.28%	53.84	10.28%

Note - 11 : Other Equity

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
a. General Reserve		
Opening Balance	1,344.12	1,344.12
Add:-Additions during the year		
Subtotal	1,344.12	1,344.12
b. Securities Premium		
Opening Balance	19,864.84	19,864.84
Add:-Additions during the year	-	-
Subtotal	19,864.84	19,864.84
c. Capital Reserve		
Opening Balance	554.73	554.73
Add:-Additions during the year	-	-
Subtotal	554.73	554.73
d. Reserve for investments at Fair Value through OCI		
Opening Balance	9.70	18.13
Add: Net fair value gain/(loss) on investments during the period	(19.14)	(8.43)
Subtotal	(9.44)	9.70
e. Retained Earnings		
Opening Balance	8,076.42	2,999.00
Add: Profit/(Loss) during the year	1,531.90	5,077.42
Subtotal	9,608.32	8,076.42
Total	31,362.57	29,849.80

Note-12 : Borrowings

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Borrowings consists of the followings		
(i) Non-Current Borrowings		
A. Secured Loan		
(a) Term Loan From Banks	2,132.48	2,843.41
(b) Financial Lease Obligations	19.93	7.67
B. Unsecured Loan		
(a) Loan from Bodies Corporates & Relatives	-	-
(a) Loan From Related Parties	-	700.00
(b) Preference Share 1%*	1,798.94	1,798.94
Total non-current borrowings	3,951.35	5,350.02
(ii) Current Borrowings		
Current maturities of long term debt	705.89	588.51
Current maturities of finance lease obligations	18.18	24.91
Current maturities of Unsecured Loan	-	-
Current maturities of Inter Corporate Loan	1,018.35	532.26
Interest accrued and due on borrowings	15.22	15.80
Cash Credit from Banks	5,533.28	4,082.35
Total current borrowings	7,290.92	5,243.82
Grand Total	11,242.27	10,593.84

* The Company has allotted in earlier years 12,849,605 Number of 1% Non - Convertible & Non-Cumulative Redeemable Preference Shares(NCRPS) , at face value of Rs. 10 each fully paid up with a premium of Rs. 30 each. The preference shareholders have preferential right over payment of dividend and settlement of principal amount upon liquidation, over common shareholders. The dividend shall be paid out upon availability of profits. The preference shares shall be redeemed out of profits or out of the proceeds of fresh issue of shares after the end of the Fifth year but within a period of 20 years either in one or on more tranches as may be determined by the board of directors of the company in its absolute discretion at such price as may be decided but in any case not less than price of Rs.44 per share.

Note-13: Trade Payables

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Payable to MSME	19.02	11.22
Payable to Others	1,554.31	1,722.77
Total	1,573.34	1,733.99

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises.

Trade Payables aging schedule for the year ended as on March,31 2023 and March,31 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	19.02	-	-	-	19.02
As at 31st March , 2022	-	11.22	-	-	-	11.22
Others	-	1,554.31	-	-	-	1,554.31
As at 31st March , 2022	-	1,477.64	6.04	7.78	231.31	1,722.77
Total Trade Payables	-	1,573.34	-	-	-	1,573.34
As at 31st March , 2022	-	1,488.86	6.04	7.78	231.31	1,733.99

Note-14: Other financial liabilities

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Liabilities for Expenses	2,164.66	1,392.43
Total	2,164.66	1,392.43

Note-15: Other Current Liabilities

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Income Received in Advance	477.55	304.45
Statutory Dues Payable	507.29	919.81
Total	984.83	1,224.26

Note-16 : Revenue from Operations

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Sale of Products	1,08,906.02	99,969.26
Sale of Services	172.32	49.22
Total	1,09,078.34	1,00,018.48

1. Sale of products and services are mentioned exclusive of GST.
2. Sale Of Products Includes Sale Of Traded Steel Products INR 7,333.24 Lakhs (Prev Year INR 145.66 Lakhs)
3. Sale Of Service Includes 4 Months Lease Rental For Bellary, Karnataka Unit INR 108.00 Lakhs (Prev Year Nil)

Note-17 : Other Incomes

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Interest Income	137.04	56.51
Profit / (Loss) on Sale Of Mutual Fund	11.10	38.13
Interest on Income tax Refund	-	39.56
Profit on sale of Fixed Assets	447.79	-
Dividend Income	0.31	0.18
Other Income	2.94	80.74
Total	599.17	215.12

1. Profit on sale of Fixed Assets Includes Profit arises INR 442.78 Lakhs, on Sale of Agricultural Land Parcel
2. Profit / (Loss) on Sale of Securities/Mutual Fund Includes Profit on sale of mutual funds of INR 11.10 Lakhs

Note-18 : Cost of Raw Material Consumed

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Raw material and components consumed		
Opening Stock	9,157.67	8,046.86
Add: Purchased during the year *	82,687.05	74,355.91
Less: Stock used for fixed Assets**	323.70	14.42
Less: Closing Stock	12,101.52	9,157.67
Total	79,419.50	73,230.68

* Purchases includes material cost, expenses & other costs which are directly attributable to procurement

** Stock used for Fixed assets valued at cost of goods sold and GST reversal considered

Note-19 : Change in Inventories-(Increase)/Decrease

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Opening Stock		
Semi-Finished Goods	301.55	968.15
Finished Goods-Manufacturing	2,540.55	3,514.60
Stock In Trade	3.14	14.38
Sub-Total(A)	2,845.24	4,497.12
Less:- Closing Stock		
Semi-Finished Goods	136.16	301.55
Finished Goods-Manufacturing	2,640.44	2,540.55
Stock In Trade	99.45	3.14
Sub-Total(C)	2,876.06	2,845.24
Total(A-B-C)	(30.81)	1,651.88

Note-20 : Employee Benefit Expenses

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Salaries,wages and bonus	2,768.70	2,490.94
Staff Welfare	6.38	36.85
Contribution to provident and other funds	259.10	216.48
Total	3,034.17	2,744.26

Note-21 : Finance Cost

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Interest on Debts & Borrowings	604.49	674.21
Interest on finance lease obligations	2.97	4.51
Interest on Unsecured loans & Others	281.88	215.27
Interest -Right of Recompenses *	1,041.51	-
Total	1,930.85	894.00

* This Includes Differential Interest On Cash Credit , WCTL & FITL account which was created at the time of curving out of cash credit limit.

Note-22 : Other Expenses

Particulars	As at 31st March'2023 INR 'Lakhs'	As at 31st March'2022 INR 'Lakhs'
Consumption of stores and spares *	3,069.30	2,755.88
CSR Expenses	87.62	52.54
Power and fuel	9,484.57	8,863.11
Water charges	52.98	51.39
Operational Expenses	542.86	558.07
Selling & Distribution expenses	26.32	21.81
Security Service Charges	41.38	46.54
Rent,Rates and taxes	292.38	211.61
Insurance	64.97	54.57
Bank Charges	39.24	60.11
loss on sales of Securities	4.62	-
Repair & Maintenance	207.50	238.29
Advertising and Sales promotion	256.50	114.86
Professional & Consultancy fees	191.04	174.02
Communication costs	6.57	7.85
Remuneration to Auditors	25.40	21.80
Allowances for Credit Loss	9.48	-
General expenses	34.13	57.84
Total	14,436.86	13,290.27

* Consumption of Stores and Spares included Imported material of INR Nil (Prev year INR Nil)

Note-23 : Financial Ratios

Particulars	Numerator	Denominator	31st March, 2023	31st March, 2022	Variance
Current Ratio	Current Assets	Current Liabilities	1.84	2.26	-18.74%
Debt Equity Ratio	Total Debt*	Shareholders' Equity	0.31	0.30	-1.70%
Debt Service Coverage Ratio (in times) #1	Earnings available for Debt service (**)	Debt Service ***	6.00	11.82	-49.26%
Return on Equity (ROE) #2	Net Profits after taxes	Average Shareholder' Equity	4.19%	14.47%	-71.08%
Inventory Turnover Ratio (in days)	Average Inventory	Revenue from Operation	47	46	-2.13%
Trade Receivables Turnover Ratio (in days) #3	Average trade receivable	Revenue	16	8	-100.00%
Trade Payables Turnover Ratio (in days) #4	Average trade payable	Purchase of Goods and services.	6	16	62.50%
Net Capital Turnover Ratio (in times) #5	Revenue	Working Capital	10.17	7.72	31.77%
Net Profit Ratio #6	Net Profit	Revenue	1.40%	5.07%	-72.43%
Return on Capital employed (ROCE)#7	Earnings before interest and taxes	Capital Employed****	9.38%	17.07%	-45.06%
Return on Investment (ROI)					
Unquoted	Income Generated from Investment	Weighted average investment	-	-	0.00%
Quoted #8	Income Generated from Investment	Weighted average investment	1.66%	0.46%	261.01%

* Debt represent Non Current and Current Borrowings.

** Net profit after taxes + non cash operating expenses+ interest+other adjustment like loss on sale of Fixed assets etc.

*** Principal repayment component of non current Borrowing.

**** Tangible networth + Deferred tax liabilities+ non current borrowings.

#1 Debt service coverage ratio reduced due to higher utilisation of short term borrowings.

#2 Return on equity reduced due to reduction in net profit.

#3 Trade receivables turnover is high due to slow collection from debtors.

#4 Improvement in Trade Payables due to prompt payment made to creditors.

#5 Increase in Net Capital Turnover Ratio due to lower of Working capital gap.

#6 Net profit turnover is reduced due to high energy cost resulting to higher input cost.

#7 Return on capital employed reduced due to reduction in earnings.

#8 Increase in ROI due to increase in dividend received.

Note -24 : Earnings Per Share(EPS)
(All amounts in INR Lakhs, unless otherwise stated)

Sl. No	Particulars	31st March 2023	31st March 2022
i)	Net Profit after tax as per statement of Profit & Loss attributable to Equity Shareholders (Rs Lakhs)	1,531.90	5,077.42
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	523.52	523.52
iii)	Face Value per Equity Share (INR 'Lakhs')	10.00	10.00
iv)	Basic Earnings per share (INR 'Lakhs')	2.93	9.70

Note -25 : Foreign Currency Transactions

Sl. No	Particulars	31st March 2023	31st March 2022
i)	USD Outgo	-	-
ii)	INR in 'Lakhs'	-	-
iii)	Amount of Exchange differences debited/(credited) to profit or loss (in Lakhs)	-	-

Note - 26 : Contingent Liabilities

Sl. No	Particulars	31st March 2023	31st March 2022
i.	Estimated amount of contracts remaining to be executed on capital accounts and not provided for.	Nil	Nil
ii.	Claims against the Company not acknowledged as debts (Net of payment):		
	a) Central Sales Tax	13.35	164.43
	b) OVAT/OST	1,528.64	1,528.64
	c) Orissa Entry tax	383.38	388.77
	d) Customs duty	111.58	111.58
	e) Income Tax	18.81	15.00
iii	Bank Guarantees	109.23	166.67
iv	Claims raised vide notice dated. 30.09.2016 by M/s Mahanadi Coalfields Limited, towards the reimbursement of Contribution to NMET Rs.6,27,549 for the period 12.01.2015 to 19.10.2015 where the company has Challenged before Hon'ble High Court of Orissa , granted interim stay in favour of the Company.		
	NMET	6.28	6.28

However as per management perception, the above liabilities will not devolve upon the company in future.

The company had given Corportate Guarantees to M/s Scan Energy & Power Limited to the tune of INR Nil (outstanding balance as on 31.03.2023) towards fund based limit extended by Indian Bank (formerly Allahabad bank) subsequently taken over by Assets Reconstruction Company (ARC).(Previous Year INR 1580 Lakhs). For which the company has received Certificate of No Dues from Assets Reconstruction Company (ARC).

Note-27 : Right of Recompense (ROR)

The company had received a letter from State Bank of India mentioning Right of Recompense amount for the year 2018 to 2021 on account of restructuring of loan in the year 2018. During the year under audit, the company has paid out full Right of Recompense (ROR) of INR 1041.51 Lakhs (previous year- Nil) as demand raised by State Bank of India.

Note -28 : Recognition of Corporate Guarantee as Financial Liability

Financial guarantee is a contractual right of the lender to receive cash from the guarantor, and a corresponding contractual obligation of the guarantor to pay the lender, if the borrower defaults. The contractual right and obligation exist because of a past transaction or event (assumption of the guarantee), even though the lender's ability to exercise its right and the requirement for the guarantor to perform under its obligation are both contingent on a future act of default by the borrower. A contingent right and obligation meet the definition of a financial asset and a financial liability, even though such assets and liabilities are not always recognised in the financial statements. Based on the measurement principles laid down under Ind AS 109 "Financial Instrument : Recognition and Measurement", the fair value of all those financial guarantee contracts are reasonably below to the materiality threshold limit set by the company. Accordingly the entity has made appropriate disclosure in Note -26 without additionally recognising any financial assets or liability.

Note -29 : Registration of Charges or Satisfaction

The Company has filed, respective forms before Registrar of Companies related to creation of charges and satisfaction of charges in relation to loan availed from banks and financial institutions, timely manner within a statutory period prescribed under Companies Act' 2013.

Note-30 : Relationship with struck off companies

Name of the struck off company	Nature of transactions with struck off company	31st March, 2023		31st March, 2022	
		Balance outstanding as at current period	Relationship with the struck off company	Balance outstanding as at previous period	Relationship with the struck off company
NA	Investment in securities	-	NA	-	NA
NA	Receivables	-	NA	-	NA
NA	Payables	-	NA	-	NA
NA	Shares held by struck off Company	-	NA	-	NA
NA	Other outstanding balances (specify)	-	NA	-	NA

Note-31 : Additional Disclosures As per Ind AS 108 “Operating Segments”
Extent of Reliance on Major Customers

Extent of Reliance on Major Customers of the company can be depicted by assessing their sales chunk compared to total revenue of the operation. The percentage of group of major customer to its total revenue is as below :

Particulars	% of Total Revenues	
	31st March 2023	31st March 2022
One Customer	14.31%	21.33%

Note -32 : Related Party Disclosure as per Ind AS 24
(I) List of Related Parties

Sl. No	Name	Designation
i)	Mr.Rajesh Gadodia	Non Executive Chairman-Promoter
<u>Key Managerial Personnel</u>		
i)	Mr.Ankur Madaan	Whole-Time Director
ii)	Mr Praveen Kumar Patro	Executive Director
iii)	Mr.Gobinda Chandra Nayak	Chief Financial Officer

The Company Secretary has not been considered as related party as he is not having the authority and responsibility for planning, directing and controlling the executive decision of the entity, directly or indirectly. This is in line with Ind AS 24, “Related party transactions”.

Related Parties and Close Family Members of Promoter Director.

Sl. No	Name	Relationships
i)	Mrs. Archana Gadodia	Relative of Promoter
ii)	Mrs Shrishti Saraf	Relative of Promoter
iii)	Mr. Nimish Gadodia	Relative of Promoter
iv)	Miss.Niyati Gadodia	Relative of Promoter
v)	Mrs Binita Gadodia	Relative of Promoter
vi)	Artline Commerce Private Limited	Promoter Company
vii)	Bayanwala Brothers Private Limited	Promoter Company
viii)	RPSG Agro Commodity Pvt. Ltd	Promoter having significant influence
ix)	Shrishti Trading Corporation Private Limited	Promoter having significant influence
x)	Karma Re-Rollers Private Limited	Promoter having significant influence
xi)	Scan Energy and Power Limited	Relative of Promoter is a Director
xii)	Nav Durga Fuel Private Limited	Relative of Promoter is a Director
xiii)	Nav Durga Aviation Private Limited	Relative of Promoter is a Director
xiv)	Rourkela Sponge LLP	Relative of Promoter is a Partner
xv)	RAR Ispat LLP	Company is one of the Partner

None of the close members of all Key managerial Personnels are considered as Related Party In accordance with Ind AS 24 considering the fact that they are neither participating nor influencing executive decision making of the company.

(II) Related Party transactions			
Sl. No	Particulars	31st March 2023	31st March 2022
i)	Purchase of goods	5,326.90	3,114.19
ii)	Sale of Goods	23,441.61	30,176.86
iii)	Interest expenses recognised	34.62	90.88
iv)	Services received	170.82	136.60
v)	Services rendered	172.32	49.22
vi)	Sale of Immovable Property	579.00	-
vii)	Outstanding loans and payables	203.28	735.36
viii)	Outstanding Advances and receivable	1,265.96	1,479.32
ix)	Guarantees provided outstanding	-	1,580.00
x)	Investment in Equity Shares (Unlisted)	451.35	421.20
xi)	Investment in Partnership Firm	200.00	-
(III) Remuneration to Key Managerial Personnel			
Sl. No	Name	31st March 2023	31st March 2022
i)	Mr. Ankur Madaan	9.00	7.20
ii)	Mr Gobinda Chandra Nayak	15.60	14.10
iii)	Mr Praveen Kumar Patro	12.22	10.22
iv)	Director Sitting Fees	0.12	0.12

Loans and Advances granted to Related Parties

Type of Borrower	31st March, 2023		31st March, 2022	
	Amount Outstanding	Percentage of Total	Amount Outstanding	Percentage of Total
Promoter	-	-	-	-
Director	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

Note -33 : Assets provided as Security

Sl. No	Particulars	As at 31st March 2023	As at 31st March 2022
(i)	Trade Receivables	4,266.19	5,511.19
(ii)	Property, Plant and Equipment :		
	I. Tangible Assets	28,087.44	26,006.25
	II. Intangible Assets	0.29	0.29
(iii)	Inventories	15,868.04	12,409.48
	Total Assets provided as Security	48,221.96	43,927.21

Note -34 : Estimated Useful Live of Property, Plant & Equipment (PPE)

Sl. No	Financial Classification	Nature	Useful Lives	
			As per Management Estimate	As per SCH-II of Companies Act 2013
i)	Freehold Building	Building (Factory)	30 Years	30 Years
		Building (Non Factory)	60 Years	60 Years
ii)	Furniture, Fittings and Equipment	Furniture & Fixtures	10 Years	10 Years
iii)	Office Equipment	Computer	3 Years	3 Years
iv)	Plant & Equipment	Plant & Machinery (Non-Earth Moving)	25 Years	25 Years
		Plant & Machinery (Earth Moving)	25 Years	25 Years
v)	Vehicles	Motor car	8 years	8 years

Note -35 : Fair Value Measurements
(i) Financial instruments by category:

Sl.No	Particulars	31st March 2023		
		FVPL	FVOCI	Amortised cost
			Equity instruments designated as such upon initial recognition	
i)	Financial assets			
	Investments:			
	Equity instruments		4.73	-
	Trade receivables		-	4,266.19
	Cash and cash equivalents		-	956.29
	Others		-	1,643.59
	Total financial assets	-	4.73	6,866.07
ii)	Financial liabilities			
	Borrowings			11,242.27
	Derivative financial liabilities			
	Trade payables			1,573.34
	Other financial liabilities			2,164.66
	Total financial liabilities	-	-	14,980.27

Sl.No	Particulars	31st March 2022		
		FVPL	FVOCI	Amortised cost
			Equity instruments designated as such upon initial recognition	
i)	Financial assets			
	Investments:			
	Equity instruments	-	5.95	-
	Trade receivables	-	-	5,511.19
	Cash and cash equivalents	-	-	2,153.71
	Others	-	-	1,721.48
	Total financial assets	-	5.95	9,386.38
ii)	Financial liabilities			
	Borrowings			10,593.84
	Derivative financial liabilities			-
	Trade payables			1,733.99
	Other financial liabilities			1,392.43
	Total financial liabilities	-	-	13,720.26

(ii) Fair value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Ind AS 113 "Fair Value Measurements". An explanation of each level follows underneath the table.

INR 'Lakhs'

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31st March, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Equity instruments				
Mutual funds				
Financial investments at FVOCI				
Quoted equity investments	4.73			4.73
Unquoted equity investments	0.28			0.28
Unquoted Mutual fund units	650.19			650.19
Derivatives				
Foreign exchange forward contracts				-
Foreign currency options				-
Interest rate swaps				-
Total	655.20	-	-	655.20

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31st March, 2022	Level 1	Level 2	Level 3	Total
Financial assets :				
Financial investments at FVPL				
Equity instruments				
Mutual funds				
Financial investments at FVOCI				
Quoted equity investments	5.95			5.95
Unquoted equity investments	0.13			0.13
Unquoted Mutual fund units	344.22			344.22
Derivatives				
Foreign exchange forward contracts				
Foreign currency options				
Interest rate swaps				
Total	350.30	-	-	350.30

Level 1 : This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments(including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2 : Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

(iii) As per Ind AS 107 “Financial Instrument: Disclosure”, fair value disclosures are not required when the carrying amounts are reasonably approximate to the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade receivables
2. Cash and cash Equivalent
3. Loans and advances
4. Borrowings
5. Trade Payables
6. Capital Creditors
7. Other payables

Note -36 : Financial risk management

The company's few portion of activities are exposed to variety of financial risks i.e. market risk, credit risk and liquidity risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's financial instruments (excluding receivables from related parties) are influenced mainly by the individual characteristics of each customer. The company's exposure to credit risk is the concentration of risk from the top few customers and the demographics of the customers.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables and other financial instruments, financial assets measured at amortised cost.	Ageing analysis Credit rating
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk-foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian Rupees (INR)	Cash flow forecasting Sensitivity analysis
Market risk-security prices	Investments in equity securities	Sensitivity analysis

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily trade receivables from customers other than government entities. These Trade receivables are typically unsecured and are derived from revenue earned from domestic and foreign customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess impairment loss or gain. the company uses a matrix to compute the expected credit loss allowance for trade receivable.

Credit risk management

Credit risk is managed on instrument basis. For Banks and financial institutions, only high rated banks /institutions are accepted. For other financial instruments, the company assesses and maintains an internal credit rating system. The finance function consists of a separate team who assesses and maintain internal credit rating system. Internal credit rating is performed on a company level basis for each class of financial instrument with different characteristics.

VL1 : High-quality assets, negligible credit risk

VL2 : Quality assets, low credit risk

VL3 : Standard assets, moderate credit risk

VL4 : Sub-standard assets, relatively high credit risk

VL5 : Low-quality assets, very high credit risk

VL6 : Doubt full assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward- looking information. Especially the following indicators are incorporated:

1. Internal credit rating
2. External credit rating (as far as available)
3. Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet the obligation.
4. Actual or expected significant changes in the operating results of the borrower.
5. Significant increase in credit risk on other financial instruments of the same borrower
6. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.
7. Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.
8. Macro economic information (such as regulatory changes, market interest rate or growth rate) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payment within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other-economic factors.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company treasury maintains flexibility in funding by maintaining available under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in accordance with practice and limits set by the company. These limits vary by locations to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves, projecting cash flows in major currencies, considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period :

Particulars	31st March, 2023	31st March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	Nil	Nil
Expiring beyond one year (bank loans)	Nil	Nil

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for :

1. All non-derivative financial liabilities and
2. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

INR in 'Lakhs'					
Contractual maturities of financial liabilities	Upto 1 year	1 to 3 years	3 to 5 years	5 to 9 years	Total
31st March, 2023					
Non derivatives					
Borrowings (including cash credits)	7,290.92	2,377.93	465.14	-	10,134.00
Trade payables	1,573.34	-	-	-	1,573.34
Other financial liabilities	2,164.66	-	-	-	2,164.66
Total non derivative liabilities	11,028.92	2,377.93	465.14	-	13,871.99
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

INR in 'Lakhs'

Contractual maturities of financial liabilities					
31st March, 2022	Upto 1 year	1 to 3 years	3 to 5 years	5 to 9 years	Total
Non derivatives					
Borrowings(including cash credits)	5,243.82	1,584.66	1,078.39	188.02	8,094.89
Trade payables	1,733.99	-	-	-	1,733.99
Other financial liabilities	1,392.43	-	-	-	1,392.43
Total non derivative liabilities	8,370.24	1,584.66	1,078.39	188.02	11,221.30
Derivatives (net settled)					
Foreign exchange forward contracts	-	-	-	-	-
Principal swap	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

(C) Market Risk

The company is not an active investor in equity market. It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. Accordingly, fair value fluctuations arising from market volatility is recognised in other comprehensive income.

(i) Foreign Currency Risk

The company's exposure to foreign currency risk & Derivative financial Instruments as on 31st March, 2023

The Company don't have foreign currency exposure hence no foreign exchange forward contracts are required to hold and to mitigate the risk of foreign exchange fluctuation.

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long term borrowings with variable rates, which exposes the company to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed and variable rate using interest rate swaps to achieve this when necessary.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the company's borrowing from banks and financial institutions to interest rate changes at the end of the reporting period are as follows:

	(Rs. In Lakhs)	
Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	8,371.65	7,514.26
Fixed rate borrowings	38.11	32.58

(iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

Profit for the period would increase/ decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through other comprehensive income.

Note-37 : Capital Management

Risk management

The company's objectives when managing capital are to:

- (a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using gearing ratio, which is net debt divided by total Equity. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital. For relevant ratios please refer Note- 23 financial ratios.

Note -38

Nature and Purpose of Reserves Disclosed under Other Equity

Particulars	Purpose
General Reserve	General Reserve has been created to comply with requirements of erstwhile Company's Act 1956 with regard to Payment of dividend.
Retained Earnings	Retained Earnings contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.
Securities Premium Reserve	Securities Premium Reserve has been created for issue of equity shares.
Reserve for investments at Fair value through OCI	Fair value changes of equity instruments designated at Fair value through OCI
Capital Reserve	Capital reserves includes amalgamation reserve to be used for the specified purpose as per the scheme of arrangement.

Note -39

Covenants of Borrowings

(i) Details of Repayment Schedule, Rate of Borrowings

Working Capital Term Loan	31st March, 2023		31st March, 2022	
	Repayment Tenure	Rate of Interest (p.a)	Repayment Tenure	Rate of Interest
GECL 2.0	4 years	9.25% & 9.40%	4 years	7.95% & 8.35%
GECL 2.0 (EXTENSION)	4 years	9.25% & 9.05%	4 years	7.95% & 8.25%

(ii) Details of Security

Particulars	Security Details
GECL 2.0 and GECL 2.0 EXTENSION	Primary : 2nd Charge over hypothecation of stocks, receivables and other current assets of the company , both present & future .
	The Credit under GECL will rank second charge with the existing credit facilities in terms of Cash Flows (including repayments) and Securities, with charge on the Assets financed under the Scheme to be created on or before June 30, 2022.
	Collateral Security : 2nd charge over Equitable Mortgage of landed property in the name of the company.
	The Credit under GECL will rank second charge with the existing credit facilities in terms of Collateral Securities.
	Guarantee: 100% Guarantee Coverage by National Credit Guarantee Trustee Company Limited (NCGTC) on the outstanding amount for the credit facility provided under the scheme.
Leased assets financed	Secured by hypothecation of respective fixed or movable assets.
Cash Credit	Primary : Secured by Hypothecation of company's stocks of raw material, finished goods, SIP, Consumables, Stores , book debts and other current assets of the company both present & future.
	Collateral Security : 1. Extension of Equitable Mortgage of Land & Building on properties in the name of the company. 2. Pledge of Fixed Deposits in the name of the company. Face Value Rs. 90 Lakhs , on parri-passu basis with member banks. 3. Charge over fixed assets of the company to secure the working capital limit on parri passu basis with member banks. 4. Pledge of shares of Scan Steels Limited held by Mr. Rajesh Gadodia. 5. Personal Guarantee of Mr. Rajesh Gadodia and Mr. Nimish Gadodia and Corporate Guarantee of M/s Artline Commerce Pvt. Ltd.

(iii) Use of Funds raised and statements submitted with Banks or Financial Institution

During the year under audit, the Company has raised an amount of INR 30 lakhs (previous year INR 1176 Lakhs for working capital requirement) from one of the Non Banking Financial Corporation(NBFC) for meeting requirement of Vehicle & Heavy Earth Moving Equipment purchase. The disbursed amount is utilised for the purpose for which it is raised.

The Company has borrowing from banks or financial institutions on the basis of security of current assets, it shall confirm that the quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note -40 :

As per the requirements of Ind AS, the company has implemented / adopted the following policies and procedures for accounting:

i Componentisation.

As per prevailing practice, company componentises fixed assets as detailed in the Invoice. It does not have a separate componentisation policy. Accordingly, components identified (as mentioned above) are also depreciated based on the useful lives prescribed under Schedule-II (of the Companies Act.) for the main asset.

The company is in the process of identification of the major components significant to the total cost of the asset accordingly necessary requirements to be complied.

ii Stores and Spares

The company on purchases of stores and spares, if it relates to an item of PPE, the same are capitalised on the date of issue, and which are issued for revenue expenditure purpose, are charged to Profit & Loss Account on the date of consumption.

Note -41 : Expected Credit Loss

On the basis of historical information and findings from analysis of the trade receivables recovery pattern, it is expected that the trade receivables within three years are realizable, not doubtful. Hence the expected credit loss is calculated on the trade receivable falling under the age group of more than 3 years. For this purpose, an expected credit loss rate is taken into account considering the historical credit loss experience and is adjusted for forward-looking information.

Note -42 : Auditors' Remuneration

		INR 'Lakhs'	
Sl. No	Particulars	31st March 2023	31st March 2022
1	Statutory Audit Fees	16.50	16.50
2	Tax Audit Fees	3.50	3.50
3	Internal Audit Fees	1.35	1.80
4	Quarterly Limited Review Fees	4.05	-
	Total	25.40	21.80

Note -43 : Leases

Effective from April 01, 2019, the company has applied Ind AS 116 "Leases". The standard is applied prospectively and the cumulative effect of applying this standard is recognised. The adoption of Ind AS 116 did not have any significant impact for the company.

Note -44 : Income tax

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on 20th September, 2019 which is effective 01 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess ('New tax rate') subject to certain conditions. The company had opted for New Tax Regime from AY 2020-21 onwards.

Note -45 : Leasing Out of a Unit

The company has leased out, one of its undertaking having a sponge iron manufacturing facility situated in Bellary in the state of Karnataka, from the 1st day of December, 2022 On monthly rental. No other consideration is charged or received during the leasing process. Hence, the Income from Operation for the quarter January to March 2023 does not include the turnover figure of Bellary unit. Income from 4 Months Lease Rental For Bellary, Karnataka Unit INR 108.00 Lakhs (Prev Year Nil) is included in the Sale of Services in the Profit and Loss statement.

Note -46 : Corporate Social Responsibility (CSR) Activity

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding 3 financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting education, animal welfare and Infrastructure support for rural development projects. A CSR committee has been performed by the company as per Act. The funds were primarily allocated to a corpus and utilised throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013 :

Sl. No	Particulars	Amount Rs in 'Lakh'	Amount Rs in 'Lakh'
i)	Amount required to be spent by the Company during the year.	84.95	52.42
ii)	Amount of Expenditure incurred'	87.62	52.54
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous year Shortfall	-	-
v)	Reason for Shortfall	NA	NA
vi)	Nature of CSR activities	Promoting education, Animal welfare and infrastructure support for rural development,	
vii)	Details of Related party transaction. e.g. contribution to a trust control by the Company in relation to CSR expenditure as per relevant Accounting Standard.	NA	NA
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision.	NA	NA

Note -47

Previous year figures have been regrouped and/or rearranged wherever necessary, confirming to current year. Figures in bracket represent previous year figure.

For SRB & Associates
Chartered Accountants
F. Regd. No.310009E
Sd/-
K. P. Swain
Partner
M.No.306323

13th May 2023
Bhubaneswar

For and on behalf of the Board
Scan Steels Limited

Sd/-
Ankur Madaan
Director
DIN: - 07002199

Sd/-
Praveen Kumar Patro
Director
DIN: - 02469361

Sd/-
Prabir Kumar Das
Company Secretary

Sd/-
Gobinda Ch. Nayak
Chief Financial Officer

SCAN STEELS LIMITED

Regd. Office: Off. No. 104,105, E-Square, 1st Floor, Subhash Road, Opp. Havmor Ice- Cream,
Vile Parle (East), Mumbai - 57.

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, Adroit Corporate Services Pvt. Limited or to the company

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
Adroit Corporate Services Private Limited
17-20, Jafferbhoy Industrial Estate,
Makwana Lane, Marol Naka,
Andheri (E),
Mumbai-400 059.

Dear Sir,

I/We _____ shareholder (s) of Scan Steels Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No...../DP ID No.* and Client ID No.*

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of Shares held : _____

E-mail id for receipt of documents in
Electronic mode : _____

Date:

Place:

Signature: _____
(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

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SCAN STEELS LTD.

Regd. Office : Off. No. 104,105, E-Square, 1st Floor, Subhash Road,

Opp. Havmor Ice- Cream, Vile Parle (East), Mumbai - 57

Tel: 022-26185461/62 Fax 022-26185463

Web site: www.scansteels.com,

E-mail: scansteels@scansteels.com / secretarial@scansteels.com