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K.T. Gopalan Road, Kottoli,
Kozhikode, Kerala - 673016



FR No. 013928S

INDEPENDENT AUDITOR'S REPORT

To The Members of
SMLASH ISPAT PRIVATE LIMITED

Opinion

We have audited the accompanying financial statements of **SMLASH ISPAT PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, and Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 21.2 of the financial statements, which states that the management has not provided the quarterly stock statements submitted to banks/lenders for verification. As a result, we were unable to independently verify the consistency of these statements with the audited books of accounts. However, our opinion is not modified in respect of this matter.



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Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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

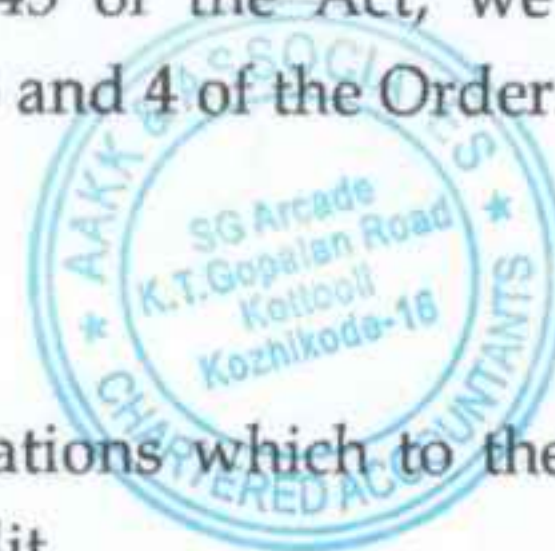
In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we further 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 purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017.
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- i) The company has disclosed the impact of pending litigations on its financial position and disclosed in its standalone financial statements – Refer Note No. 40 on Contingent Liabilities & Commitments.
 - ii) The Company did not have any long-term contracts including derivative contracts.
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The company has not paid or declared any dividend during the year and has not proposed final dividend for the year.

- vi) Based on our examination which included test checks, the feature of audit trail (edit log) was not enabled by the company at the accounting software for maintaining its books of account throughout the year.

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

For AAKK & ASSOCIATES

Chartered Accountants

Firm Reg No: 013928s


CA: ARJUN A FCA

Partner

Membership No.: 228450

UDIN: 25228450BMJAHV8127



Place: Calicut

Date: 06/02/2025

ANNEXURE 'A' - Report under the Companies (Auditor's Report) Order, 2020

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any Intangible Assets.
 - (b) The Property, Plant and Equipment of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company, which have been deposited with the Bank for availing loans and confirmed by them.
 - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The company has not provided stock statements for verification. Consequently, we are unable to comment on whether the records of inventory are properly maintained and whether material discrepancies were noticed during physical verification
(b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions during the year, on the basis of security of current assets. The company has submitted quarterly stock statements to its lenders. However, the quarterly stock statements have not been made available for our verification by the management. As a result, we are unable to verify whether the quarterly returns or statements filed by the company with the banks or financial institutions are in agreement with the books of account.
- iii. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any investment, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and there were no loans outstanding at any time during the year. Accordingly, paragraph 3(iii)(a) to 3(iii)(f) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.

vi. According to the information and explanations given to us and the records of the company examined by us, the Company has maintained cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Act for its products.

vii. In respect of statutory dues:

- (a) According to the information and explanations given to us and on the basis of our examination of the records, the company is regular in depositing undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues to the extent applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the company examined by us, except as reported in note 40, there are no statutory dues in sub-clause (a) which have not been deposited on account of any dispute.

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 (43 of 1961).

ix. (a) According to the records of the company examined by us and the information and explanation given to us, there was no default in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the balance sheet date.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) The company has raised funds on a short-term basis. However, due to the non-availability of stock statements submitted to banks, we are unable to verify whether the funds raised on a short-term basis have been utilized for long-term purposes.

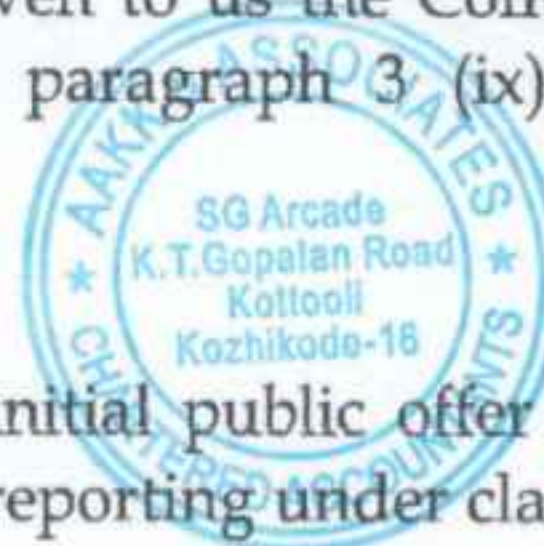
(e) According to the information and explanations given to us the Company does not have any subsidiaries, associates or joint ventures, hence paragraph 3 (ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us the Company does not have any subsidiaries, associates or joint ventures, hence paragraph 3 (ix)(f) of the Order is not applicable.

x. (a) The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans and hence reporting under clause 3(x)(a) of the Order is not applicable.

(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) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) Based upon the audit procedures performed and according to the information and explanations



given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

(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, if any 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 clause (xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us, the Company has no statutory obligation to maintain an internal audit system. Accordingly, paragraph (xiv) of the Order is not applicable.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

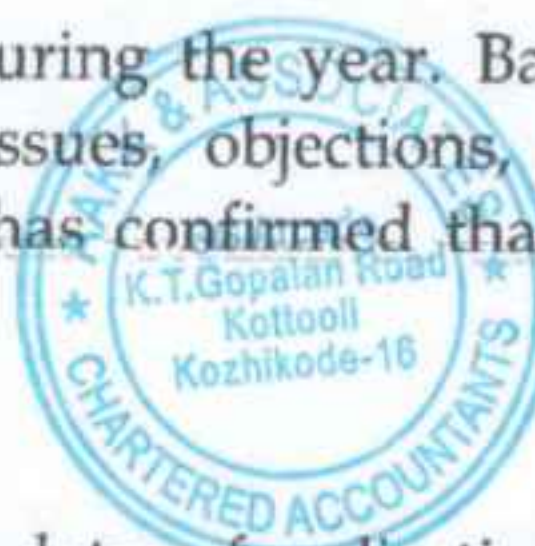
xvi. (a) In our opinion, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) 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 clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has incurred a cash loss of Rs. 326733.11 hundreds in the current financial year. The company has not incurred cash losses in the immediately preceding financial year.

xviii. There has been resignation of statutory auditors during the year. Based on the information available, the outgoing auditors did not raise any issues, objections, or concerns that were communicated to the management. The management has confirmed that no issues or concerns were raised in connection with the resignation.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is



based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. On our examination of the records of the Company and the information and explanations given to us the company is not required to comply with section 135 of the Companies Act, 2013, hence paragraph 3 (xx) of the Order is not applicable.

For AAKK & ASSOCIATES

Chartered Accountants

Firm Reg No: 013928S




CA. ARJUN A FCA

Partner

Membership No.: 228450

UDIN: 25228450BMJAHV8127

Place: Calicut

Date: 06/02/2025

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

1. CORPORATE INFORMATION

SMLASH ISPAT PRIVATE LIMITED, incorporated on 08th September 2009 is classified as a Non-govt company and is registered at Registrar of Companies, Kerala. Its authorized share capital and paid up capital are Rs. 11,50,00,000/- and Rs. 11,21,00,000 respectively. The company is engaged in Manufacturing of GI Pipes, Tubes and Pipes.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Despite the fact that the Company's accumulated losses and its net worth have been fully eroded and the Company has incurred net cash loss during the current year, the financial statements of the Company have been prepared on a going concern basis in view of the possible investment by new investors and re-engineering of its operations.

(B) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that, the economic benefits will flow to the Company and the revenue can be reliably estimated and collectability is reasonably assured.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Unbilled revenue represents earnings on ongoing fixed price and time and material contracts over and above the amounts invoiced to customers.

(C) EXPENDITURE

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(D) USE OF ESTIMATES

The preparation of financial statement in conformity with Generally Accepted Accounting Principles require management to make estimate and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statement. Actual result could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(E) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

(F) DEPRECIATION AND AMORTIZATION

Depreciation has been provided on WDV Method on the basis of useful life as specified in Schedule II of the Companies Act, 2013.

(G) EARNINGS PER SHARE

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that decrease profit per share are included.

(H) INCOME TAX

Income taxes comprises of current & deferred taxes.

Current taxes are measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates & the tax laws enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realised.

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

(I) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Any contingent asset is not recognized in the Accounts.

As per our report of even dated

For, AAKK & ASSOCIATES

Chartered Accountants

Firm Reg No. : 013928S



CA ARJUN A FCA

Partner

Membership No. 228450

UDIN: 25228450BMJAHV8127

Place: Calicut

Date: 06/02/2025

**On Behalf of
SMLASH ISPAT PRIVATE LIMITED**

For SMLASH ISPAT PVT. LTD.

A. I. SHALIMAR

Managing Director

DIN: 00326040

For SMLASH ISPAT PVT. LTD.

T. K. ABDUL HASIS

Director

DIN: 01597475

